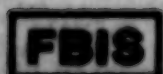


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8 May 1980

Latin America Report

No. 2145



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8 May 1980

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INTER-AMERICAN AFFAIRS

LATIN AMERICAN, CARIBBEAN CHEMICAL INDUSTRY UNIONS MEET IN CUBA

Meeting Opens

FL282340 Havana Domestic Service in Spanish 2300 GMT 28 Apr 80

[Text] The first meeting of the Latin American and Caribbean trade unions of the chemical and related Industries opened this afternoon at the headquarters of the Central Organization of Cuban Trade Unions (CTC).

CTC National Secretariat member Ramon Cardona made the welcoming remarks. In his speech, Cardona said it was a high honor for Cuba to host this first meeting organized for the purpose of joining forces to fight the oppression by imperialism and transnational companies and all other forms of exploitation.

Latin America is witnessing and experiencing the constant plundering of its natural resources as a result of the excessive greed of imperialism and its transnational companies and this generates poverty, unemployment and illiteracy, among other ills, added the labor leader.

Ramon Cardona concluded his remarks expressing gratitude to all our class brothers and all who have raised their voices in support for the Cuban revolution which will continue on its firm path of building a society of workers and for the workers.

CTC Secretary General Roberto Veiga attended the session.

Meeting Concludes

FL300052 Havana Domestic Television Service in Spanish 0000 GMT 30 Apr 80

[Excerpt] The creation of a coordinating committee of the chemical, oil and allied workers unions to expand inter-trade unions relations, establishment of unity of action and creation of conditions to build a regional organization in our continent was one of the agreements reached at the first meeting of Latin American and Caribbean trade unions of chemical and similar workers.

The imperialist threats against Cuba and the action of transnational companies in Latin America were condemned at the meeting.

The closing session was chaired, among others, by Joel Domenech, vice president of the Council of Ministers; (Ferenc Dahka), president of the International Union of Chemical and Allied Workers Trade Unions; and Noel Zubiaur, secretary general of the National Trade Union of Chemical-Energy workers.

CS0: 3010

INTER-AMERICAN AFFAIRS

JAMAICA WANTS MORE TRINIDAD GOODS

FL281610 Port-of-Spain TRINIDAD GUARDIAN in English 24 Apr 80 p 1

[Text] San Fernando--Jamaica wants Trinidad fertiliser, petroleum products and flour in increasing quantities.

This was stated yesterday by Jamaica High Commissioner Gordon Wells, addressing a meeting of the South Division of the Trinidad and Tobago Chamber of Industry and Commerce in San Fernando.

Mr. Wells, who said he hoped time would produce genuine dialogue and understanding among Caribbean countries touched on straight bilateral trade.

He said there were items produced in Trinidad and Tobago that were of critical importance to the economic development of Jamaica, and which Jamaica would always want to import and, in many cases, in increasing quantities.

Immediate thinking cited fertilisers, petroleum products and flour which Jamaica started to import in significant quantities.

There was also the new steel mill being erected at Point Lisas, the products of which Jamaica already made clear it would import in preference to similar products from any part of the world.

Jamaica now imports steel in various forms to the value of about \$35 million a year, and much of this business would be placed in Trinidad and Tobago.

Given foreign exchange difficulties, that were not going to disappear overnight, the structure of Jamaica imports from Trinidad and Tobago might undergo a change.

With proper management, the level could increase several times.

He said Jamaica had been accused from time to time of restricting the importation of CARICOM goods while flogging its own products throughout the area.

For a short time there were some restrictions on CARICOM imports into Jamaica, but this was not the case since the middle of last year.

At the time of the restrictions, Jamaica was, and still is fighting a massive foreign exchange problem.

As far as CARICOM goods were concerned, there was now a free licensing system that monitored the goods entering the country.

Special Measures

This was to ensure that the foreign exchange budget was adhered to as closely as possible.

Mr. Wells said understanding among Caribbean countries would eliminate suspicion and bitterness, despite political ideology, economic disparity and geographic size.

He was billed to speak on economic co-operation between Trinidad and Tobago and Jamaica, but chose to deal with Caribbean co-operation in general.

Mr. Wells said countries considered in the vanguard had a duty to press on with special measures to help the less developed countries (LDCS).

The Caribbean Development Bank had to be strengthened to enable it to provide even greater assistance to the LDCS.

Looking at San Fernando as the hub of the new industrial heartland of Trinidad and Tobago, Mr. Wells said the welcome sign should be extended to Couva, to take in Point Lisas.

This was not interfering into the domestic affairs of the country, a charge he would not like added to the others against his country.

CSO: 3020

NICARAGUAN LITERACY CAMPAIGN CRITICIZED BY COSTA RICA

Used for Political Indoctrination

San Jose LA NACION in Spanish 13 Mar 80 p 4A

[Article by Guillermo Fernandez R.]

[Text] The Nicaraguan National Literacy Crusade that will begin next week is viewed as a means of political indoctrination which is unipartisan, socialist, anti-imperialist--to be precise, anti-United States--nationalist and exclusively Sandinist.

Governmental authorities of that country considered the above to be a rumor they must confront. An AP wire from Managua stated: "Yesterday in a regular session the leaders of the campaign stated that preparations must be finished and a strategy devised to confront the rumors that have been spread about the campaign."

Nevertheless, a study of the guidelines for the literacy teacher that appear in the textbook guides that the volunteer participants in the campaign will use reveal these characteristics. The ideological aspect prevails in those tracts. There are essays on 23 political subjects that "try to increase the political understanding" of those being taught.

The first 44 pages of the 121-page tract refer to methodological guidelines and general recommendations but the remaining 77 pages are "a separate section devoted to social sciences" which has already been questioned by several Nicaraguan sectors.

As they have indicated in the booklets, the directors of the campaign feel that "teaching literacy is much more than teaching reading and writing." Therefore, "the campaign is an attempt, at the same time, to make our masses aware of the reality in which they have lived so that they understand their real interests and discover who their enemies are, who their friends are, who their allies are and who their vanguard is."

According to the primer guide, the literacy teacher must start from a basis that his duty "must not be limited to teaching the words but he must help explain the points that remain obscure and contribute elements to complement and enrich understanding. Study and domination of the political theme will be the basis for achieving this. Let us not forget that political education is a mutual act in which we all give and we all receive," the guide states.

Unipartisan

The booklet explains about the guerrillas, the masses, expropriations, revolutionary workers organizations, the agrarian reform, Yankee imperialism, the Sandinist defense committees, imperialist plundering--with obvious references to the United States--the exploitation of women, the power of the organized people and freedom of religion for all churches.

It talks about solidarity with other peoples, integration of the Atlantic coast, individual house construction and improvement, the necessary participation of everyone in recreation, the revolutionary government's proposal to bring health care to everyone and the right and duty of all the people to work.

Nevertheless, it says nothing about democratic elections or formation of political parties. Instead, everything that the FSLN [Sandinist National Liberation Front] does, says, thinks or directs is presented as the only alternative.

The fatherland that will be founded in Nicaragua will be Sandinist with Sandinist unions, Sandinist army, Sandinist defense committees and Sandinist police commanded by the vanguard of the FSLN.

The guides promote the political idea of state centralism, typical of socialist or communist countries. The rare mentions of private property, made only to indicate the need for the workers to defend themselves against those who are still owners, show that its permanence would be an exception.

"It would be a crime if the literacy campaign is manipulated to control the minds of the poor," said Alfonso Robelo, a member of the government junta, recently. He advocates democratic and free elections soon after several political parties are permitted.

As of yesterday, 44,500 students had been enrolled in the campaign. They have been trained by the FSLN to act as multipliers of new literacy teachers in order to form a literacy army of 200,000 people within a short time.

It is stated in the guides that elections do not necessarily guarantee democracy. "Our revolution was not fought merely so our people

could vote freely in elections once every 4 or 6 years. This revolution which cost so many lives was fought to give the full exercise of power every day and in every place to the oppressed majorities."

About the Sandinist defense committees, it said: "They have the task of disseminating and convincing the people about our government's program and the new, truly revolutionary values: the development of revolutionary fraternity and the impetus of collective work."

Revolution Not Sold

In one of the topics, the Nicaraguans are asked "to spend little, save resources and produce a lot." It states: "Our country is burdened today with a large foreign debt of 1,675,000,000 cordobas; in order to pay it, each Nicaraguan would have to pay 609."

The tract adds: "Some propose that we accept certain types of loans and we subject ourselves to certain conditions which would betray the ideals for which our heroes and martyrs fought. Our revolution will not be sold for a little momentary comfort. Let us respond with dignity to those who ask us to sell our freedom for a little more comfort these first years."

Nationalizations

After calling the nationalization of Somozist enterprises a "recovery by the nation and the people of all the goods stolen from them by the Somozists, the treasonous bourgeoisie and imperialism," it explains the entire process.

"It is not a matter of dividing the enterprises, land, etc., among all the individuals; the organized people, through their government, will make them produce so that the wealth can be distributed justly for a better standard of living in food, housing, education, etc., for everyone, especially the oppressed masses."

Everything will be done through the mass revolutionary workers organizations that "promote production and guard the revolutionary process."

Sandinist Force

Those mass organizations are in the exclusive hands of the FSLN.

It states: "Contrary to Somozism, the FSLN promotes the organization of the working masses in the rural area and the city by means of the Sandinist Workers Federation, the Agricultural Workers Association, the Nicaraguan Women's Association, the 19 July Sandinist Youth...."

"The Sandinist Workers Federation and the Agricultural Workers Association are organizations that need the workers to give their support and contribute to the consolidation of the popular Sandinist revolution," states the guide.

Agrarian Reform

"Now, with the triumph of the popular Sandinist revolution and to carry the agrarian reform and the benefits that it brings to the farthest part of the mountains,...class awareness should be strengthened, collective work methods should be encouraged, greater participation in production and administration should be stimulated, the interests of the workers on private farms should be defended...."

To the unions, it says: "The fight for the individual interests of each union is subordinate to the fight for the interests of the entire Nicaraguan society. It is not a matter now of fighting for wage increases but to increase production in each factory, resolve the unemployment problem, etc. The state is no longer the representative of the bosses who exploited the employees, but it is the representative of the power in the hands of the people. As such, it is necessary to defend it and not consider it an adversary of the working classes."

It indicates that direct control by the workers over the productive process will be guaranteed through different organizations or enterprises "although subordinate to national planning." Also "volunteer work is the normal and necessary complement of paid work."

Mentioning the promise of guaranteeing the full exercise of freedom of religion, it notes: "The FSLN will not have any dispute with a religion that helps convert Nicaragua into a land of justice and freedom for those who were exploited and oppressed before."

Nicaraguan Envoy Responds

San Jose LA NACION in Spanish 18 Mar 80 p 2B

[Article by Javier Chamorro Mora, Nicaraguan ambassador: "Literacy in Nicaragua Is, Will Be Sandinist"]

[Text] On page 4 of your 13 March issue, there was an article by Mr Guillermo Fernandez R. entitled "Ideology Prevails in Guides for Literacy Teachers in Nicaragua." I feel it is important to respond by explaining some concepts mentioned in it.

If the Nicaraguan revolution--which had and still has the FSLN as its unquestioned vanguard--has achieved one thing, it is the right to speak clearly and loudly. For that reason, as Mr Fernandez'

article mentioned, the National Literacy Crusade will try to teach our people not only to read and write but, within the political plan that this represents, to discover our roots and true historic origins.

Our revolution in general as well as the literacy campaign in particular are and will be Sandinist. This is an attempt to be original in the deepening of our process. Our Government of National Reconstruction demonstrated this originality by establishing relations with all the countries in the world based on mutual respect and the right to self-determination.

The damage that Somoza and its internal and external allies did to our people was very great. Thus, we have the obligation to point them out and punish them if they deserve it since the human lives that were lost--in the last stage alone, this rose to 50,000--and the material damage that they caused now make us confront difficult situations in the reconstruction and revitalization of our country.

It is not our intention to point them out or to inculcate hatred and vengeance in our people since, as our leaders have revealed, "we are implacable in combat and generous in victory." We do try to teach true national history so that our people will know the damage that previous governments caused us and, based on that, choose their own destiny when they have the capacity to do so, without pressures of any type and especially without the foreign intervention we have been used to since we were born as an "independent nation."

The importance of this literacy campaign is based on the fact that, for the first time, we Nicaraguans will have the opportunity to "be real men" and not objects of exploitation. Once the campaign is over and the adult education programs are implemented, we will be able not only to participate in production but in political, cultural and social activities; that is, to develop ourselves integrally.

Therefore, a broad and true view of the past and present situation of our country will be given to our people in the campaign, teaching them who is who in Nicaragua, who are our friends and who our enemies, who invaded and exploited us and how we will try to keep that from happening again. As I said before, we will maintain fraternal relations based on mutual respect as free and sovereign countries, independent of our size or economic capacity.

In this political and educational project based on presenting a broad view to our people, the decisive and important role that our vanguard played is taught as are the importance of an organized people at all levels, the reasons for expropriations, the importance not only of integral agrarian reform but of educational, cultural and sports projects as priorities of our revolution, the role of

international solidarity which was and is so important for us, the economic problems left us by Somoziism, the patriotic duty to work to increase production and the freedom of religion which the revolution guarantees.

On the role of the church in our revolutionary process which that article mentioned, I merely want to quote the Nicaraguan bishops on page 13 of the Pastoral Letter dated 17 November 1979. They said: "Nicaraguan brothers, our faith in Jesus and in the God of life, incarnate now in a just search, should enlighten the commitment of Christians to the present revolutionary process. The primary contribution of the church and the Nicaraguan is their concern for the poor; therefore, they must support the measures and laws that rescue the poor from isolation, demand their rights and strengthen the organizations that insure their freedom." Recently, Monsignor Miguel Obando y Bravo, a Nicaraguan archbishop, called to parents and our people in general to join and give permission to their children to teach literacy. As will be understood, we are with this church and this church is with us.

On the other hand, it is important to emphasize that, in this political and educational project, we point out those organizations that had a real participation in the overthrow so that our people understand and value them. We also point out priority areas for our reconstruction; therefore, guidelines are given to our people on the significance of the revolution and integration to production.

Other aspects like formation of political parties, private property and democratic elections are touched on lightly because, as I said, we must first reconstruct the country--which we aware Nicaraguans are doing--and not engage in fights that are fruitless right now. Also they are real things whose participation has been recognized on other occasions. Proof of this is that there are many political parties now, some of them forming a united bloc with the FSLN like the Nicaraguan Democratic Movement of compañero Alfonso Robelo, member of the Government of National Reconstruction. Others are in opposition to the FSLN like the Conservative Democratic Party. Also private property which the writer mentions is respected and plays an important role in the 1980 Economic Revitalization Plan although, logically, with a new look. It is not used for the unlimited enrichment of a few but oriented toward the social well-being that we Nicaraguans aim for.

7717
CSO: 3010

CUBAN AID TO NICARAGUAN POULTRY PRODUCTION REPORTED

Managua LA PRENSA in Spanish 14 Mar 80 pp 1, 9

[Text] With the generous and disinterested aid of our brotherly people of Cuba and the effort being organized by our fellow Nicaraguans, our country will achieve self-sufficiency in the field of poultry production and could, in the intermediate term, even become a major exporter in this sector.

In fact, according to Adolfo Evertz, head of the poultry section of Agro Inra, Cuba has committed itself to providing us full solidary assistance in this respect, in addition to the daily air shipments of eggs arriving in Nicaragua from the land of Marti.

Evertz was in Cuba last week and, in the course of various talks with Cuban officials, succeeded in obtaining major commitments of technical aid and equipment for the development of our currently incipient poultry industry.

The head of the poultry section of Agro Inra was accompanied by four advisers from this state-owned enterprise, and, in Cuba, met with Omar Cruz, national head of Cuban poultry production, Adolfo Diaz, vice minister of Agriculture, and Dr Daniel Ovies, national technical head of poultry production, who is a highly regarded scientist in this field.

Evertz also visited numerous Cuban industrial poultry production plants and, together with his advisers, was genuinely impressed by the degree of development our brotherly socialist republic has attained.

"They have succeeded in doing incredible things," said Evertz upon returning from his trip there, "and the aid they will accord us will be of enormous benefit to our people."

Technical Cooperation

Elaborating on the Cuban aid to our poultry industry, Adolfo Evertz said it comprises two aspects: technical cooperation and material aid.

Under technical aid, Cuba will send to our country teams of veterinarians, specialists in poultry pathology, zootechnicians, nutritionists, and engineers specializing in the fabrication and installation of equipment, including the Cuban-manufactured Victoria incubator.

Also coming to our country will be laboratory technicians specializing in biological control of the incubation system, planners and financial experts, and technicians specializing in desiccation of poultry.

All of these people will work in cooperation with Nicaraguan technicians, and will concurrently carry out a teaching function with round table discussions, lectures, courses and seminars for Nicaraguan workers and technicians. In this regard, a poultry production specialist school will be set up.

On the other hand, the Cuban government has offered scholarships for young Nicaraguans to study poultry production technology in Cuban institutions. Possibly in July or August, the Nicaraguan government will send 20 youths having the minimum approved educational level for a 3-and-1/2-year program of poultry production studies at the technical level in a specialized technological institute in Cuba.

Our Cuban brothers have also offered scholarships for specialization in poultry production to Nicaraguan graduates in zootechny, veterinary medicine and agronomic engineering. In regard to these scholarships, Adolfo Evertz says that in the next few days four Nicaraguans will be sent to take these courses, which last 6 months to 1 year, and which are practically postgraduate level.

"According to the agreement we have concluded," said Evertz, "the first phase of technical cooperation will be for a period of 2 years, and the Cubans have further stated they are prepared to increase this technical aid in any way Nicaragua deems appropriate."

Material Aid

As regards material aid, Evertz stated that Cuba will be supplying us with fertilized eggs for replacement of laying hens, as well as fertilized eggs for reproduction of breeding stock and for fatteners.

Cuban technicians will also be working with Nicaraguans on installing a laboratory for the diagnosing of diseases, and will mount a factory for the fabrication of poultry enclosures and poultry production equipment.

Fabricating our own enclosures and equipment will undoubtedly represent a significant step forward for our Nicaraguan poultry industry, in that we have until now had to import these from the United States where they are extremely expensive.

"In other words," Evertz explains, "Cuban aid will enable us to create an infrastructure and will render us self-sufficient in industrial poultry production, possibly converting us as well into exporters within the intermediate term, particularly benefiting from the excellent markets that Honduras and Costa Rica represent."

An Important Sector

The poultry production sector in a country like ours is an extremely important one, from the alimentary as well as the purely economic standpoints.

Our country is a producer of basic grains, and the poultry production industry inverts and converts those grains into animal proteins that improve the nutrition of our population.

The development of this industry also creates more jobs and can eventually become a source of foreign exchange for the country.

At the same time, by installing our own manufacturing plants for the production of enclosures and equipment, we save the foreign exchange that we have traditionally had to use to procure this type of equipment and that would otherwise necessarily increase as we tried to develop our own poultry industry.

Another beneficial aspect for the country is the escape hatch, so to speak, provided by the fatteners, in that they diminish the domestic consumption of beef, thus augmenting our export potential without degrading the nutrition of our own people.

What Cuba Has Achieved

During his stay in Cuba, Evertz was able to visit numerous poultry farms, slaughterhouses, laboratories, research centers, food factories, medical laboratories, and so forth, that give some idea of the degree to which Cuba has developed its poultry production industry.

One of the most impressive things for Evertz and his group was to learn that in Cuba there are 48 poultry genetics research centers, whereas in Central America there is not one.

The Cubans also have a very large number of technicians who have attained the highest levels of specialization, and large scientific documentation centers. Be it said in passing that the Nicaraguan delegates brought back with them some 300 books, in gifts from the Cubans, on poultry production, which they will use to start a specialized library in the poultry division of Agro Inra, which, precisely, reports directly to Evertz.

Another impressive fact is that in Cuba there are now 9 million laying hens, or approximately one laying hen per inhabitant of the island, which not only guarantees the complete supply of eggs needed by Cuba's population, but also permits that brother country to help supply other peoples, such as our own. Cuba, in fact, as we have already pointed out, sends a daily air shipment of eggs to Nicaragua.

In Cuba, there are currently 520 poultry farms operating on an organized footing (in Nicaragua there barely, if at all, some 50, most of them small), and the Cuban poultry production industry totals an annual budget of 220 million pesos.

360,000 fatteners are slaughtered daily in Cuba, thanks to its having 12 slaughterhouses, each capable of slaughtering 24,000 chickens a day.

All of this, together with the fact that the Cubans fabricate their own incubators and other necessary poultry production equipment, has gained for Cuba the top position in all Latin America in this field, and has enabled it to offer technical aid to 17 countries (African and Asian for the most part), of which Nicaragua is now one.

"In the poultry production industry," said Evertz, "in addition to the destruction we suffered as a result of the war, we inherited a special infrastructure designed to satisfy a minority, which is typical of a society like the Somozist one, in which there always existed an Olympic disdain for the vast majority of our people.

"I am convinced," he concluded, "that with our own organized effort, and the solidary aid that Cuba is offering us, we can succeed in achieving goals that only a short time ago we could not even dare dream of."

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ARGENTINA

PARTY, CHURCH LEADERS TAKE STEPS TOWARD POLITICAL DIALOG

Church-Party Dialog Proposed

Buenos Aires CONVICCION in Spanish 8 Apr 80 p 12

[Excerpts] "I Question the Non-Involvement of Christians in Politics"

The bishop of Presidencia Roque Saenz Pena, Monsignor Italo Di Stefano, asserted that the church "is in a position to illuminate the political landscape" and came out in favor of a direct dialog between the church and political parties, according to statements made public in Resistencia yesterday.

In an article published in the paper NORTE, the prelate contended that the church "can contribute to the development of new leaders," and he reported that the episcopate would voice an opinion on the new social benefits law, which is still in the planning stage, as it did with regard to the trade union associations law.

"The church cannot give the same response as a political sector," the prelate pointed out. "The church has to have another vantage point with regard to the political problem, to the effect that it is in a position to illuminate the political landscape and also to provide abundant resources for the Christians who are called upon to act in the field of politics, regardless of the political sector or party with which they would like to associate themselves."

Di Stefano added: "I have always maintained that the field of politics is quite devoid of staunch Christians. I do not question politicians because of their Christian convictions, but I do question Christians for not getting involved in politics. It would seem as if many Christians somehow reject participation in politics and settle for involvement merely in professional, technical, bureaucratic or free enterprise activities, and thus politics is deprived of all of the principles and values that Christians could give to it. The church, for example, is in a position to develop honest men, responsible men, and also to give them sufficient wisdom to discern and criticize ideologies."

The bishop recalled that the Puebla document "is very clear in this regard. It calls on Christians to discover their political calling." He then noted: "Therefore, I think that the church can render an excellent service by inviting Christians to become interested in politics not out of curiosity but as a calling, by making them see that they must make the construction of temporal society a common cause. Just as they are witnesses of Christ, they must be witnesses in politics. This does not mean associating exclusively with a given political sector, however."

"Christians can have a place in a wide variety of systems, associations or political parties. Thus, with the firmness of their convictions and their conscience, they can responsibly discharge public offices, and with the clear-sightedness that they must have regarding ideologies and, above all, with all of their enrichment based on what the church's social doctrine (which is not an ideology) can provide, Christians can be in an excellent position to look into and criticize the various ideologies that are being put forth as panaceas at the moment to our people. This, I think, is the unique political service that the church can render to the so-called political opening."

In answer to another question, Monsignor Di Stefano asserted that "at the moment, if the dialog starts up, the church can establish a dialog with the political parties by inviting some of them to go beyond certain arrangements that have been left behind in Europe as well, especially with regard to the aspects that are in conflict with the conscience of Christians."

"The church, he continued, "would not try to proselytize; it would try to provide the values that it possesses by its origins, its nature and that are a necessary contribution to the development of consciences, to the enlightenment of culture and, logically, of education."

With regard to the Professional Associations Law, Di Stefano recalled that the episcopate duly revealed its viewpoint on the right to form trade unions. In connection with the Social Benefits Law, the prelate maintained that "all men have the right to receive sufficient and decent social aid." He clarified that "the church would never pass practical judgment on a law that has yet to be unveiled."

Separately, Monsignor Di Stefano referred to the problem of rural housing, pointing out that "this is a short-term economic problem connected with the structure of FONAVI [National Housing Fund]. I think that there is interest in amending some of the provisions or some of the clauses that are blocking the use of FONAVI funds for rural housing."

Regarding the broadcasting law, Di Stefano said that the episcopate's recent statement "broaches a national legal problem as well as a doctrinal problem in terms of the ownership and use of the mass media."

Dialog Set To Begin

Buenos Aires CONVICCION in Spanish 2 Apr 80 p 11

[Text] While the country awaits the national-level political dialog that will resume when the minister of the interior, Maj Gen Albano Eduardo Harguindeguy, meets next Monday with Mr Jorge Aguado, the president of the CRA [Argentine Rural Confederations], at the provincial level the Holy Week recess does not seem to have influenced the startup of talks, at least as far as Misiones, Tucuman, Santa Fe and Buenos Aires are concerned.

The Dialog in the Provinces

In Posadas, the provincial governor, retired Capt Ruben Paccagnini, began his mission yesterday within the framework of the dialog with a 2 1/2-hour meeting with radical leader Cayetano Pernigotti, who was the secretary general of government during Governor Mario Lozada's term of office.

At the close of their meeting, Pernigotti praised the dialog approach proposed by the government and said that "I share the view that elections should not be called immediately, until certain problems are resolved, such as curbing inflation and the situation in the country's border zones."

For his part, Tucuman Governor Lino D. Montiel Forzano, a retired major general, stated yesterday at a press conference that "the dialog must in no way arouse the expectations of an election." He reiterated that it is the Armed Forces that are carrying on the dialog through "all of us, not with the political parties but with the citizens who represent the people."

It was also learned in Santa Fe that the province's governor, Vice Adm Jorge Anibal Desimoni, was preparing to begin talks in his jurisdiction late next week.

The governor himself said to newsmen that "he is continuing the corresponding assessments and studies, in accordance with the instructions from the Federal Government."

It was learned that several provincial officials have established contacts with representatives of industry, commerce, banking and production and political sectors in the province with a view towards future meetings.

In Buenos Aires, 60 young professionals in criminal law were invited to the headquarters of the Buenos Aires Penitentiary Service, where they received information on the enforcement of the Penal Proceedings Code, during a session presided over by the province's under-secretary of justice, Dr Gilberto R. Binstana, who pointed out that the meeting with these young people was aimed at a sociopolitical integration linked to the dialog that has begun.

Future Meetings

Now that the Monday meeting with Aguado has been virtually confirmed, Minister Harguindeguy's advisers have been conducting intensive surveys with a view towards drawing up the minister's future agenda. In this regard, it was learned that contacts have been maintained with leaders of the Popular Federalist Force (FUFEP) and with Silvestre Begnis, from the Popular Line Movement.

"Parallel" Dialog

Meanwhile, leaders of the groups that took part in the recent multi-party session have decided to promote a "civilian dialog" to discuss the issues that have been excluded from the official dialog conducted by the interior minister, an authorized spokesman of the inter-party group reported.

The idea of promoting this "parallel dialog" arose during the meetings of the committee that drafted the multiparty statement revealed last Saturday. The statement disavowed the official dialog, asserting that "it is not sincere and diminishes the standing of the government and the participants."

Meeting at a downtown office to examine how to implement this initiative were Vicente Leonidas Saadi and Jose Maria Sarrabayrouse, Peronists; Raul Rabanaque Caballero and Miguel Monserrat, Intransigents; Nestor Vicente, Popular Christian Party; Simon Alberto Lazara and Edmundo Esposito, Unified Socialists, and Julio Amoedo, Popular Conservative, according to the list furnished by the aforementioned spokesman.

With an eye towards conducting the "civilian dialog," the participants at the meeting decided to begin preliminary contacts in the next few days with representatives of business, labor, the church and political sectors that usually do not take part in multiparty gatherings.

The issues that they will bring up are, among others, institutional normalization, the lifting of the "political closed season," the repeal of the institutional acts and the union law, the release of

political and trade union prisoners, the rectification of economic policy and the possibility of undertaking concerted inter-sector actions to support these and other objectives.

Differing Opinions in Peronism

More than 150 intermediate-level Peronist leaders drafted a wide-ranging document designed to promote a broad internal debate to spell out and unify the party's stand and the attitudes of its leaders.

"We are not the renovated spokesmen of intemperance, but neither are we the opportunists of the hasty dialog," says the pronouncement, which is signed, among others, by Carlos Grosso, Juan Carlos Vidal, Eduardo Cantalupi and Roberto Monteverde.

In its introduction, the document contends that "as far as Peronists are concerned, a political dialog implies a confrontation of ideas among representative institutions to shape a model for the nation that we all want and to submit it to Argentines for their express approval."

Over the next few days, it was learned in party circles, the document will be handed over to the vice president of the National Peronist Council, Deolindo Felipe Bittel, but it has already begun to circulate at various party levels, prompting an internal debate that seems to be one of the objective of its authors.

For his part, Peronist leader Alberto Seru Garcia clarified that he had not received an invitation to the political dialog from the government and said that "the democratic process, which many of us want to be successful, requires that everything be organized from the bottom up, from the provinces to the capital."

Seru Garcia, who is part of the anti-verticalist faction that is headed by Raul Matera on the national level, felt that "after the invitations are extended, all of us political leaders ought to attend the dialog as a means of taking part in the resolution of national problems."

He then felt that within the Peronist camp the government would call on, in addition to Matera, "other leaders of the stature of Angel Federico Robledo, Italo Luder, Enrique Osella Munoz, Rodolfo Tecera del France, Delia Parodi, Alberto Iturbe and others, all of whom certainly do not share the narrow political view that notary Deolindo Bittel has emphasized by expressing his opposition to the dialog and saying that he will not attend it."

Radical Opinion

In Lima, the leader of Renewal and Change Movement of the Radical Civic Union (UCR), Raul Alfonsín, stated that the government "ought to call for elections as soon as possible." He is in the Peruvian capital representing his group at the International Conference for the Reaffirmation of Social Democracy in Peru and Latin America.

Party Dialog Role Stressed

Buenos Aires CONVICCION in Spanish 6 Apr 80 p 8

[Text] Leaders of several national political organizations yesterday extolled in Salta the "all important role" of political parties in this stage of the dialog launched by the Armed Forces; they objected to any sort of "questioning or exclusions" and cautioned that "the economic program is impairing the democratization process."

Meanwhile, in San Juan, the Argentine ambassador to the Soviet Union and leader of the Bloquista Party of San Juan, Leopoldo Bravo, referred to the vague electoral outlook in Argentina and observed that "the deadlines are in the hands of the Argentine people."

Voicing their opinions at the Salta meeting on the dialog that the Armed Forces has recently called for were Gustavo Barbaran, from the Integration and Development Movement MID); Eduardo Arias, representing Christian Democracy; Luis Alfonso Borelli, for the Peronist Movement, and Francisco Munizaga, from the UCR.

After Barbaran explained the work that the Martin Guemes Club will be doing henceforth in the province, Arias, the Christian Democrat, spoke and asserted that "the dialog began at a far from propitious moment, because we do not live in enough of a state of law to express our ideas freely and comprehensively. This will bring in spokesmen who are not really representative, and we will thus begin to travel an anti-democratic road."

In turn, Peronist leader Luis Alfonso Borelli asked that the government's spokesmen "be backed by clear-cut, basic positions. The dialog requires a confrontation of philosophies, but it so happens that the spokesmen are chosen by the government, which leads us into a mere monolog." The UCR's Munizaga then regretted that "despite the significance of the times that our country is living through, the voice of my party has not yet been heard," contending that "it is unacceptable to structure a dialog from which political forces are absent."

In San Juan, Leopoldo Bravo asserted for his part that "although the Armed Forces Government has reiterated that it has objectives, not deadlines, this is not an inflexible aim," inasmuch as "the time for politics is also going to be up to all Argentine citizens, if we show that we are ready for it." He said that this government had not played personality cult politics and that "it is up to us to show that such deadlines could be necessary."

In Mar del Plata, the former governor of Buenos Aires, UCR leader Anselmo Marini, emphasized that the constitution must hold sway, adding that "the emergency measures were justified," referring to 24 March 1976.

The minister of culture and education of Buenos Aires Province, Gen Ovidio Solari, also referred to the political dialog and said that "before the province begins a political dialog, the nation must do so first."

Lastly, Mendoza leader Alberto Seru Garcia, who is at odds with the formal authorities of the Peronist Movement, stated that "the dialog begun by the Armed Forces with civilians" is a "very positive tool for political work."

PPC Will Not Participate

Buenos Aires CLARIN in Spanish 5 Apr 80 p 4

[Text] The decision of the PPC [Popular Christian Party] not to take part in the "parallel dialog" sponsored by the multiparty group is a reflection of the longstanding and deep-seated crisis that has been besetting it.

Last week, the multiparty group issued its well-known critical statement on the government-called dialog, contending that it "is not sincere." The president of the PPC, Enrique de Vedia, was one of the signers of the document, which was drawn up by a drafting committee that included Nestor Vicente, who is also a PPC member and who sides with De Vedia in this internal dispute.

The multiparty group later decided to go "one step further" and promote a "parallel" dialog, which it called a "civilian dialog." Its purpose would be to discuss, along with other political, union, business, etc sectors, the issues not included in the official dialog, such as the lifting of the political party "closed season," the "reestablishment of the people's sovereignty" and the release of political and union prisoners.

It was then that the PPC decided not to take part in this new initiative. De Vedia and Vicente were, paradoxically, charged with signing the

communiqué, which announced that "our party has decided nothing with regard to joint or multiparty activity in the expressed sense."

The decision is seen as a bid to emphasize reunification of the critical internal front, rather than to express multiparty solidarity, inasmuch as the strategy pursued so far by De Vedia was making any possibility of a pact with the faction led by Jose Antonio Allende and Salvador Busacca unthinkable.

De Vedia's position had deteriorated significantly. He first lost the leadership of FAPES, the parallel organization of Christian Democracy, to the "Allende Movement." He was then disavowed by a theretofore ally, the Christian Revolutionary Party (PRC), which decided to "freeze" the Christian Democratic Federation and declare as expired De Vedia's term as president of the federation. Moreover, he will soon have to undergo the harsh test of the national party convention, at which the Allende Movement will continue its efforts to toss him out, in spite of the efforts that Hugo Conza, the Allende Movement's party representative, and Nestor Vicente are exerting on behalf of both factions.

Peronist Organization Criticized

Buenos Aires CONVICCION in Spanish 8 Apr 80 p 12

[Text] Alberto Dejar Barrios, a Peronist leader from Misiones and a former first vice president of his province's House of Representatives, has made public the text of an "open letter to the first vice president of Peronism, notary Deolindo Bittel," the most important paragraphs of which are the following:

"Not long ago I wrote that the moment of truth had arrived. Today, my conscience forces me to elaborate further, in connection with some recent statements of yours.

"I feel that you, whom I believe to be an intelligent and capable man, will agree with me that Peronism was never a democratically organized political party. It was, rather, a large political and trade union movement run autocratically [a "dedocracia"] by its founder, a man of great intelligence and extraordinary charisma but who also at times lacked a strong and vigorous enough character to prevent the excesses of many of his colleagues.

"Peron always talked to us about developing "leaders." A leader is born, not made; he is developed within a discipline. I ask myself: Who are the leaders that Peron left behind? He accepted the presence of the "spiritualistic magician," Jose Lopez Rega, an ill-fated man

who caused great damage to the country and who was very close to Isabel Martinez de Peron. Peronism had then and still has today 'potentially outstanding figures' to lead the nation. Who pressured against a capable and widely accepted man becoming president? Wasn't it the backbone of the movement, the same backbone that you cited as the foundation of Peronism?"

"In politics, we had unfortunately reached the point where we had a single goal, 'vote-getting.' The means of doing so did not matter. No political party escaped this crisis of human values.

"The necessary antibodies did not exist at that point for us to emerge from the state of ruinous political bankruptcy into which the last constitutional government had lapsed. The result: a cheated citizenry.

"I do not wish to continue on this quest for truths. I reserve the right to reveal them in due time. I would only remind you, Mr Vice President, that the first thing that we must seek is a democratic political organization, while uprooting the 'reign of autocracy.' Such an organization must arise from the rank-and-file. We must seek out our most capable people, those with stable characters.

"The labor movement cannot and must not engage in direct political 'interference' in our political party. If the mistakes of the past are again repeated, it will mean that 'we have not learned our lesson,' and that would be bad, very bad indeed."

Aguado-Harguindeguy Dialog

Buenos Aires CONVICCION in Spanish 8 Apr 80 p 1

(Text) "In order for the national unity of Argentines to be permanent, it is essential that we concern ourselves with having governments for the whole. No alliance, no pact, no front, no agreement can replace this, because they will inevitably suffer from the drawbacks that all such attempted alliances have had in coming to power," reads one of the paragraphs in the statement that Jorge Aguado, the president of the CRA, released to the press after his meeting with the minister of the interior, Maj Gen Albano Eduardo Harguindeguy, within the framework of the political dialog that the Armed Forces Government has begun with various sectors of society.

The CRA leader spoke for 2½ hours with the minister, who has thus held his third meeting. The first two were with progressive democratic politicians and with businessmen.

"The national ideal is not for the indifferent," the declaration adds, "nor for those who are anxious for an election."

In addition to reading the document that he had prepared, Aguado answered questions from newsmen. In reply to the first, he said that the current process is based on three fundamental documents: the National Constitution, plus amendments, except that of 1972; the documents issued by the Armed Forces on 24 March 1976, and the Political Bases for the National Reorganization Process.

In this regard, he reported that he had proposed to the government that it set up a commission of jurists to review all existing legislation, "because there are many laws that run counter to the substance of those three basic documents."

He also proposed budgetary unity and a tax reform as starting points for a total restructuring of the state.

With regard to politics, he asserted that he did not feel it was necessary to hurry out with any political party statute.

Alfonsin Calls For Elections

Buenos Aires LA NACION in Spanish 1 Apr 80 p 10

[Text] Line (ANSA)--The leader of Argentina's UCR, Raul Alfonsin, has demanded "an immediate call for elections" in his country, adding that it is his party's goal "to maintain labor unity vis-a-vis those who are trying to atomize the Argentine labor movement."

He went on to say that "a call for elections is imperative and in keeping with the general desire of the Argentine people, who are demanding recognition of the people's sovereignty and the reestablishment of democracy."

"If Gen Leopoldo Fortunato Galtieri, the commander-in-chief of the army and a member of the junta, has said that the ballot boxes are in safekeeping and will remain there for some time, our reply to him is that they ought to begin passing around penholders because we'll stuff them with votes," said Alfonsin when he arrived in this city.

He specified that the Argentine people must make use of every forum to reestablish democracy "because the people are determined to restore it." He also called for the participation of radicals in the political dialog begun last week by the interior minister, Gen Albano Harguindeguy.

ARGENTINA

CHURCH TAKES STAND ON NEW RADIOBROADCASTING BILL

Buenos Aires LA NACION in Spanish 1 Apr 80 p 12

[Text] (AICA [Argentine Catholic Information Agency]), 31 March—"In light of a possible new radiobroadcasting law, the church, fulfilling its mission, considers it timely to publicize and affirm its doctrinal principles in this regard." These were the words of the Episcopal Group for the Mass Media, headed by Monsignor Oscar Villena, which made public a document on this issue. After several doctrinal comments based on various passages from papal encyclicals and documents, the declaration broaches a number of questions.

With regard to the right to provide and obtain information, it asserts that this "is a universal, inviolable and inalienable right, subject to the rights of truth, ethics and the legal order, as a function of the public welfare. Its foundation is none other than the right of every man to know and report the truth. This is an outgrowth of the nature of man, who as a rational being seeks the truth and as a social being tends to communicate it."

As far as freedom of expression is concerned, the episcopal document states that "this is the right to express and make public one's own opinions, which are essential for a proper development of public opinion. This right entails the exercise of the right to unencumbered access to the media on the part of society and groups, subject, of course, to the limitations on the right to obtain information."

The plurality and diversity of sources "make possible a dialog, and the comparative evaluation of differing opinions helps to form one's own opinion and to make a free and responsible personal decision vis-a-vis the group of individuals to which one belongs," the statement says. Citing a document of Pius XII, "Miranda Proreus," it goes on to say that "social life is based, in fact, on an ongoing exchange and dialog among individuals and groups."

"From the above principles," the declaration notes, "it follows: A) the church's doctrine is, in principle, opposed to monopoly. Paul VI

asserted that 'the various mass media must facilitate an open dialog'; otherwise, we could reach the point of a 'tyranny' or 'cultural terrorism,' which, paradoxically, could also find acceptance under the pretext that a monopoly would thus contribute to personal and social betterment, even though religious, ethical and civic convictions are violated."

"The declaration of the bishops in Puebla is no less categorical than the above-quoted text," the mass media group states. "A monopoly on information, both on the part of governments and private interests, makes possible the arbitrary use of the mass media and gives rise to the manipulation of news in accordance with special interest groups. It is particularly serious when transnational corporations or interests manipulate news about or directed to our countries."

"B) That although national security is necessary," the Puebla text cited by the episcopal group goes on to say, "any political body, if it presents itself as an absolute over and above individuals, could easily begin denying in practice the right of information and institutionalizing insecurity in the exercise of freedom of expression. It is therefore necessary to reconcile national security with individual rights, in order to guarantee the latter without ignoring the demands of the former."

Rights of the Church

After citing these passages from the Puebla document, the message from the episcopate's mass media group states that "it is the Catholic Church's natural right to own and utilize any media of this nature, to the extent that they are necessary or useful for Christian instruction and for all of its efforts to save souls."

In connection with the principle of a subsidiary role, the group indicates that "the church has often explained this in its teachings: the state should not do what individuals or groups can do as well or better, except, logically, that which makes possible or facilitates the state's mission to safeguard and promote the common good."

Restrictions on the right of information and freedom of expression: "These rights that we recognize as individual and social are, like all rights, subject to limitations on their exercise," says the declaration, adding that these restrictions stem from:

"a) the very nature of information, such as the right to truth that protects the good name of men and society as a whole; the right of privacy to protect families and individuals; the right of secrecy, if the circumstances of an office or of the public good so dictate, and the dictates of ethics."

"b) the legal order; by virtue of its mission to safeguard and promote the welfare of the community, it is up to the state to take timely measures to combat abuses, bearing in mind, as the Second Vatican Council teaches, that human freedom must be promoted and safeguarded whenever possible and can be curtailed only when the common good so requires."

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ARGENTINA

SOCIAL BENEFITS BILL TO END DEPENDENCY ON LABOR GROUPS

Buenos Aires CONVICCION in Spanish 6 Apr 80 p 9

[Text] The bill to reform the social benefits system for workers calls for it to be broken down entirely into financing institutions on the basis of territorial groupings or related activities, the agency NOTICIAS ARGENTINAS announced yesterday.

The social benefit institutions will finance the aid services "without developing their own operating capacity and while seeking to reduce that which exists."

The bill, whose text was seen by the news agency, was prepared by the Social Welfare Ministry, and according to the agency, the president of the nation played a direct role in drafting it, owing to the disagreements among cabinet ministers.

"Each social benefit institution will be managed and administered by a Board of Directors, consisting of a state representative, who will chair it; three representatives of the beneficiaries and three representatives of the contributing employers," the text reads.

It adds that "the representatives of the private sector will be designated by the aforementioned institute (National Social Benefits Institute) from a list of three candidates proposed, respectively, by the members of the social benefit institutions and the contributing employers, in accordance with a procedure determined by the regulations of this law."

It stipulates that "there will be an auditor's office [sindicatura] in each social benefit institution, whose task will be to monitor the actions of its branches and officials." The office can be staffed by "one or several persons."

Under the Social Welfare Ministry's bill, "the social benefit institutions that are established will have legal, administrative and financial status, and in no instance can their names include that of a professional association."

The system called for in the bill "mandatorily" includes "workers who render services on a dependent basis and their respective primary family groups; retirees and pensioners and their respective primary family groups; the beneficiaries of non-contributive national aid and their respective primary family groups." The Executive Branch is empowered to bring "self-employed workers" under the system on a mandatory basis and at the proposal of the Social Welfare Ministry.

The bill also specifies that "the aforementioned workers...can choose not to make use of any of the benefits granted to them by the social benefit institution under which they are or should be beneficiaries."

"To this end," the text adds, "a worker must deliver to the social benefit institution a certificate issued by a medical aid organization authorized by the National Social Benefits Institute, stating that he is a member or an affiliate of said organization and that the latter is providing him and his primary family group...with basic medical care."

The bill says in connection with this option that "once the certificate authorized by the social benefit institution has been presented, the employer will withhold only 50 percent of the worker's personal contribution, which will go to the social benefit institution under which he was to benefit, together with the entire contribution due from the employer."

Rumors had been circulating recently about the possibility that the article in the bill enabling people to choose private medical care would be amended, with the percentage to be withheld by the employer reduced further, so that more money would thus go into private medical practice, according to the news agency.

The bill also stipulates the following:

--"In accordance with their economic and financial capabilities, the social benefit institutions will award social tourism benefits, death benefits and other social benefits, subject to the standards and priorities set forth by the appropriate authority."

--"The National Social Benefits Institute will promote the coordination of services among social benefit institutions and between them and other national, provincial and municipal organizations."

--As the occasion requires, beneficiaries will be able to receive medical and social assistance from any of the social benefit institutions.

--These institutions must allocate at least 70 percent of their funds to medical and social assistance.

--The system will be financed by a contribution from the employer equivalent to 4.5 percent "of the pay of workers rendering services on a dependent basis" and by "a contribution from workers rendering services on a dependent basis, equivalent to 3 percent of their pay, regardless of the number of primary family group members." It calls for the "reduction and elimination of other funds" that are currently earmarked for social benefits.

--It creates the Redistribution Fund, which will function as a special account and be run by the National Social Benefits Institute. Its purpose will be "to finance the basic benefits of social benefit institutions that are running deficits." The fund's resources will derive from, among other sources, 10 percent "of the revenue of social benefit institutions in the form of inputs and contributions."

--The National Social Benefits Institute will manage the system provided for in the bill.

The National Institute will establish the social benefit institutions. There will also be a Consulting Board, made up of two representatives from each social benefit institution; its function will be to advise the National Institute in enforcing the law.

--The assets of the current social benefit organizations will be transferred to the social benefit institutions that will be set up, without any compensation when said assets were acquired with funds stemming from Law 18,610, from contributions stipulated in labor union contracts or agreements among parties for social benefits and from quotas established for that purpose." If they were acquired with union funds, they can be ordered transferred to the institution "on payment of an appropriate sum," or they can be assigned to third parties or maintained. In the latter case, they can "conclude agreements with the social benefit institutions as another lender" and must "allocate the profits that they obtain to enhancing the benefits that they award." In the event that agreement cannot be reached on the assignment or origin of the assets, action will be taken by a three-member arbitration commission appointed by the ministries of social welfare, labor and justice, respectively.

--"The social benefit institutions will act as financiers of services, without developing their own operating capacity and while seeking to reduce that which exists."

They will be able to offer their own services only in exceptional cases. (NA)

ARGENTINA

CENTRAL BANK OFFERS AID TO FINANCIAL INSTITUTIONS IN CRISIS

Buenos Aires CONVICCION in Spanish 5 Apr 80 p 1

[Text] In a move apparently designed to bolster the confidence of investors and savers in the wake of the stunning case of the Regional Exchange Bank (BIR), the Central Bank of the Argentine Republic (BCRA) has decided "to implement a system of advances to temporarily facilitate the operations of financial institutions that might experience drops in their levels of deposits."

The move was communicated to financial institutions around the country through Resolution 1051, which was made public along with a brief press release.

The message specified that "the Central Bank has ordered the establishment of a system to provide funds to financial institutions to facilitate their operations in the event of temporary reductions in their loan-granting ability."

"Thus," the release notes, "the Central Bank will play a role in maintaining the smooth operations of the financial institutions that are subject to its supervision and control."

The press release adds that "the new system enables funds to be granted to any financial institution, depending on developments in their deposits. The financing provided for bears a cost related to the 'benchmark' interest rate that the Central Bank publishes on a daily basis."

With regard to a maximum amount, the first point in the release notes that "the ceiling on average advances during their first month of use will be determined by the reduction in average deposits in pesos (subject to the single minimum cash rate) during the month for which it requests such advances, in comparison to the average of the prior month."

It then specifies that "during each subsequent monthly period, the ceiling on utilization of the advances will be determined by adding to the remaining limit (which is equivalent to 70 percent of the actual utilization, within the allowed maximums, during the preceding month) the reduction in average deposits from the previous month."

"For each monthly period," the third point of the resolution adds, "the average advance use cannot exceed the difference between the average deposits in the month in question and the base month."

The fourth point in connection with the ceiling on advances indicates that "for the monthly periods in which the remaining limit is less than three percent of the average deposits of the base month, the ceiling on average advance use will be exclusively the reduction in the average deposits during that month from the preceding month."

With regard to the guarantees that the BCRA will require, the resolution stipulates that "the financial institutions must establish collateral in the Central Bank's favor against the documents in their liquid portfolio in an amount never to fall below 100 percent of the amounts that they owe. The Central Bank can demand any additional guarantees that it deems necessary."

8743

CSO: 3010

ECONOMIC EXPERTS VOICE THEIR REACTION TO BIR CLOSING

Finance Chamber Head Comments

Buenos Aires CLARIN in Spanish 13 Apr 80 pp 4, 5

[Text] Isidro Valle, head of the Chamber of Financial Companies:

Phenomena such as those currently affecting the Argentine financial market have occurred on many occasions in the world's leading financial centers, and have been nothing more than irrelevant incidents in the progress of those markets.

Hence, these circumstances cannot shock nor cause great concern among those familiar with the stability with which the Argentine financial system has been developing.

Rather than opinions, what is important under circumstances such as the present ones, is to let the facts speak; but, on this occasion, we deem it significant to emphasize the solvency proven by the monetary authorities in dealing with the situation.

Thus, what in similar experiences of other countries may have required a painful process of adjustment, has been virtually absorbed in its entirety within a few days; and we think that, when the psychological impact has ended, the market will tend to become normal.

As has already been widely publicized, through the system of advance payments established under these circumstances, the Central Bank has backed the system completely, so that any occasional state of lack of liquidity can be quickly surmounted. Moreover, the vice-president of the monetary institution, Dr Alejandro Reynal, has publicly cited the authorities' decision to prevent imbalances in the market.

Therefore, despite the situation that has cropped up, no entity has had problems with payments recently, even though the large concentration of bills payable which occurred after Holy Week is well known. Even where the withdrawals proved larger than normal, they could be made without any problem.

However, it has been noted that some investors, who were affected psychologically, have hastened to purchase hard currency at high prices, and with a highly negative yield; and others have sought to place their investment in government banks.

The present situation demonstrates that, despite that position of the Central Bank, there is a percentage of the public which actually is voicing lack of confidence in the system, which should be dispelled; because it is detrimental to the proper development of capital that has been intensifying noticeably during recent years.

Housing Loan Official Interviewed

Buenos Aires CLARIN in Spanish 12 Apr 80 pp 6-7

[Interview with Jose Roberto Talio, head of the Chamber of Savings and Loan for Housing; date and place not given]

[Text] Jose Roberto Talio, head of the Chamber of Savings and Loan for Housing, declared that the failure of the BIR [Regional Exchange Bank] was the result of careless management on the part of its administration, and that the impact on the entire financial system will not lead to a permanent concentration of deposits in the government entities. Talio heads an organization which includes 28 firms, the majority of medium size, which when combined account for 3 percent of the deposits on the financial market, directed mainly toward the granting of mortgage loans for the purchase of housing, and of real estate in general.

The businessman remarked: "The progress of the present system has created conditions to preclude failures in the entities. The power to run themselves freely is an attribute which makes it possible for the firms to grow and consolidate without abnormal risks. The risks, which are to be expected in any business, must be reduced in financial activity. Although the failure of the BIR caused a real impact, it was not unexpected. It has been known for some time that that entity was experiencing a critical situation. In my opinion, it was due to careless management on the part of the authorities."

[Question] Don't you think that there will be a growing tendency toward concentrating deposits in the government entities?

[Answer] I think that concentration is a first effect, but I don't believe that it will last. Some investors, not all, not even the majority, are turning to the government banks; but that does not mean that the attitude will be permanent. Once the initial shock has ended, the market will become normal again, and the entities which were acting correctly will have their customers again. On the other hand, I do not reject the possibility of an increasing tendency toward concentrating deposits in the traditional banks; but I don't think that it will be so evident. I sincerely believe that the financial system as a whole will not be changed.

[Question] Don't you think that a large number of entities may go out of existence?

[Answer] I don't think that that will happen. There is no reason for the entities acting correctly to disappear. Germany, one of the nations with the most developed financial market (and the same thing holds true for the United States), has displayed coexistence successfully for many years, with very large entities, such as the famous North American banks, and others which are very small. There are about 5,000 savings and loan entities operating in the United States, some of them veritable financial "monsters," owing to their size, and others with staffs of under 20 persons.

[Question] Have sizable flights of deposits occurred among the savings and loan companies?

[Answer] I have no knowledge of a sizable flight of deposits in this sector.

[Question] Could the group of firms combined in this chamber come out of this financial crisis in a weakened state?

[Answer] On the contrary. With what has happened, the savings and loan system will emerge strengthened, for two reasons: In the first place, because it has just been proven that, in order to be a secure financial entity, it is not necessary to be called a bank, nor to have a large portfolio. Secondly, because now, more than ever, it is important to note that the savings and loan entities make their deposits in mortgage loans; something which is a real, definitive guarantee for the investor.

[Question] How has the "spread" acted in these entities?

[Answer] The "spread" has tended to decrease, as it has in the entire market. For the past 2 years, there has been a gradual reduction in the active rates, which was made possible by the decline in the minimal cash and the growth which occurred in the entities, with the resultant economies of scale.

[Question] What is the composition of the borrowers' portfolio in the sector?

[Answer] The families whose monthly income starts at 1 million pesos, and upward, have access to our system.

[Question] And what has happened to the loans that they have had for some time?

[Answer] When the interest rates decline, since the adjustment index relates to the financial cost of the deposits, the value of the installment payments has dropped. As for the income of our debtors, no problems have been noted. There has been no behavior marked by a disturbing delay in payment; furthermore, the latter has declined.

Sixty percent of our debtors are wage-earners on various levels, ranging from employees without managerial positions to board members. The rest are professional people, and small or medium-sized merchants or manufacturers, as well as a few independent workers.

[Question] How has the demand for loans to purchase housing acted?

[Answer] In 1979, the demand exceeded that of 1978. Nevertheless, we feel that the normalization of the real estate market has not yet been totally completed, and that, this year, the demand for loans will exceed that of 1979.

[Question] Could not the tendency noted at present toward a larger purchasing of real estate and at higher prices affect the demand for loans for that purpose?

[Answer] On the contrary. The purchase of real estate will benefit the savings and loan system, because part of those purchases must be made with financing; which will increase the demand for loans in our entities. Furthermore, there will be an incentive for the initiation of new works projects; which, since we also lend to construction companies, will also activate our operations.

It is true that higher prices for housing will be a critical aspect. It may happen that the loans will be directed toward the higher income sectors. But there could be compensation if the drop in interest rates, which will reduce the installment payments, continues.

[Question] In brief, what prospects does your sector discern for the financial system?

[Answer] Interest rates will continue to decline and, at the same time, the events that have occurred recently, combined with those related to credit risk that have been continuing since the second half of 1979 in particular, will cause those who want to survive to act cautiously and professionally, realizing that financial activity is not a simple activity. Furthermore, it is not very profitable at the present time. They must also realize that the Central Bank, as it has shown, will apply the groundrules that are in effect in all instances.

FEBANCCOP Head's Statement

Buenos Aires CLARIN in Spanish 13 Apr 80 pp 4-5

[Text] The chairman of the Federation of Cooperative Banks of the Argentine Republic (FEBANCCOP), Dr Alfredo A. Ferro, in commenting on the requirements for liquidation established by the Central Bank for the BIR and the Promosur financial institution, declared: "A liberal system for the policy on interest

has coexisted with unlimited guarantees for deposits. This has made it possible for any entity, even an unknown one, to absorb large volumes of deposits (by way of advertising and the high yields)."

The FEBANCOOP head added: "In the case of the entities which have just been liquidated, one notes that the percentage of demand deposits is non-existent as a rule in the case of the financial institution, and irrelevant in the case of the bank. And I point this out because the account current without earnings is, indeed, an indicator of confidence and of permanent relations. I also think that situations such as that of the stalling of the guarantee, also for account current, and its penalty with the charge of monetary regulation, in view of the level of minimal cash, are inconsistent with the necessary stimulus of the use of the check."

Ferro commented: "The strength of the liquidated entities was ostensible, because it was gaged by just one indicator: that of the volume of deposits, which can only generate strength when there is success in investing those funds. Otherwise, they become a burden, as if a shipwrecked person were to try to save himself by swimming with ingots in his pockets."

He also remarked: "The intake of deposits at high rates necessitates lending them at interest which can only be accepted by those who do not offer sure guarantees of payment. Therefore, keeping those uncollectibles in a forced, active portfolio leads to burdening oneself with more ingots, at the worst of times. Paying high rates is like feeding a wild beast in our home, one which will devour us as soon as we reduce its food."

He explained: "I still think that there cannot be experiments with the system of guaranteed deposits, and that, for the sake of the health of the system, it must be combined with an effective control of those entities which, because they constantly exceed the bounds of the market, have to justify their credit policy. I think that it would be preferable to return to the 100 percent guarantee of investments, even though the payment of interests were limited to the amount of the sample rate, for example, or there were total allowance of the risk of earnings at the expense of the investor, rather than maintain the system of advances due to a drop in deposits."

In Ferro's opinion, "There are no risks to the financial system; it is a sound model as a whole. And the economic leadership has shown signs of a praiseworthy pragmatism. This is proven by the 'security network' represented by this system of advances resulting from a decline in deposits. This is an obvious departure from the principle of 'rewards and punishments' on behalf of the general interest, which could have been jeopardized, not through the weakness of the financial system, but rather because of the inability of the system as a whole to liquidate its assets so as to return them to the depositors."

He also expressed the view that, "The speed of the reaction shows a great capacity for adjustment to the circumstances, and it is in that absence of

enslavement to an ideology that we find the greatest guarantee of security. I hope that, in the immediate future, progress will be made in stimulating genuine savings and in using the account current, so that this enormous volatile mass of short term deposits may become a permanent resource."

The head of FEBANCOOP voiced the opinion that, "Since the system of financial entities went into effect, experience has been gained which should be utilized. Without embarking on an in depth analysis, since the financial area is an adjunct of the economic area, and based upon the current groundrules, I think that the entities should be strengthened not by increasing their capital, but rather by reducing the inflexibility of certain 'technical relations.' The difficulties being experienced by various sectors of commerce and industry should be taken into account, and the computation of the default should be made flexible, excluding those instances wherein there are real or sufficient guarantees, and making genuine settlements possible.

"We view the future of the sector with great confidence, because we believe that the demand will have to continue, and because we have some 'comparative advantages.' For example, we can very readily become integrated operationally or institutionally, because we do not represent opposing individual interests. We are representatives of the communities which we serve, and hence our opportunity for communication is far greater than in the case of depersonalized entities. We do not seek profit. It is enough for us not to operate at a loss, inasmuch as we are rendering service, and the surpluses are incorporated into the social fund to meet the requirements of regulations and for expansion."

At the present time, half of the Argentine private banks are cooperatives. Ferro comments: "This remarkable growth which occurred last year is the result of the financial reform which, in prohibiting the cooperative banks from taking demand deposits, prompted them to become banks merged with one another."

In conclusion, he stated: "The sector's profile is marked by the quality of the services that we render. Without detriment to the financing of big business and the national treasury, our specialization and the installed capacity of 1,000 spokesmen throughout the entire country have enabled us to fulfill our destiny of serving the regional economies and small business. The importance of the sector is realized when one considers this genuine specialization in retail credit."

Martinez de Hoz Comments

Buenos Aires CLARIN in Spanish 13 Apr 80 p 11

[Text] Yesterday, the minister of economy, Dr Jose Alfredo Martinez de Hoz, declared that the recent financial failures of the Regional Exchange Bank (BIR) and Promosur "are confirmation of the correctness of the Law on Financial Entities." He added: "This should be the case, so that the financial entities will learn to engage in their activity responsibly."

The head of the Palace of Finance made this statement a few minutes before leaving for Brazil, where he will attend the meeting of governors of the Inter-American Development Bank (IDB).

Martinez de Hoz also noted: "This is another instance wherein everyone must learn to exercise freedom with responsibility;" adding: "There is no reason to create an impression of alarm as a result of the BIR situation, because its liquidation will take the proper time, and all the necessary time will be given to allow this to be absorbed in a normal fashion."

The president of the Bank of Buenos Aires Province, Roberto Bullrich, who is in the group accompanying Martinez de Hoz to Brazil, for his part, admitted that the movement of savings to the large national or provincial banks "is an absolutely logical result of what has been occurring."

He also observed: "A bank which has 300,000 depositors and 1.8 billion pesos in deposits, the liquidation of which the Central Bank has decided upon, brought about the consequences that it has incurred."

Finally, the head of the Bank of Buenos Aires Province stated: "During the past few days, the financial market has resumed a more normal position, which will be more marked next week when the BIR depositors start to collect."

Provincial Taxes

Moreover, the minister of economy also discussed his recent meeting with the board members of the Confederation of Buenos Aires and the Pampa Rural Associations (CARBAP), concerning provincial taxes.

In this connection, Martinez de Hoz remarked: "The national executive branch has issued instructions to the provincial governments regarding certain regulations for preparing their budgets, wherein a large portion of the taxes is included." He continued: "What we have promised the CARBAP people to do is study an improvement in the regulations that govern this preparation of budgets and the mechanisms for levying the taxes in the best possible way."

In conclusion, the head of the Palace of Finance commented on the 20th Meeting of IDB Governors, which opens today in Rio de Janeiro. He declared: "Argentina will express its views on the issues concerning the economic and social development of the continent, and the action of the IDB; and it will report on the nation's economic progress."



Jose Alfredo Martinez de Hoz in Ezeiza, with the undersecretary of economic coordination, Martin Braun, before traveling to Brazil.

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CSO: 3010

ARGENTINA

UCR REACTS TO CLOSING OF REGIONAL BANK

Buenos Aires CLARIN in Spanish 6 Apr 80 p 11

[Text] The Radical Civic Union (UCR) yesterday voiced its views on "the closure of major credit institutions," contending in a press release that the move forces it "to express once again its concern over financial policy and the lack of protection that it implies for the savings of broad segments of society, especially for lower-income people."

"The situation that these institutions have gotten into and that others could be nearing," the statements asserts, "is due to the failure of the principles applied by the current economic leadership, one of whose most clear-cut manifestations was the financial reform of 1 June 1977."

Although the UCR document does not mention the names of the institutions to which it is referring, it is obviously talking about the closings that the Central Bank ordered of the Promosur finance company during the first half of March and of the Regional Exchange Bank 9 days ago.

The UCR statement criticizes the "subservience to the laws of supply and demand, without taking heed of the monopolistic elements that characterize the money market."

It states: "The system of granting wideranging freedom to set interest rates paid on time deposits, together with a guarantee that led savers to regard their deposits as insured, enabled certain financial institutions to offer excessive returns, by virtue of which they attracted sizable deposits."

The declaration adds that "it is worrisome that the Central Bank, which had come to represent a model in terms of performing its bank supervisory functions, remained an uninvited guest until the institutions in question reached the point of the capital exhaustion that was announced."

In the opinion of the UCR, "this development was due to the limited functions that were gradually ascribed to the aforementioned supervisory role, based on the prevailing idea that the monitoring of deposits ought to be delegated to the private sector, in keeping with the principle of a subsidiary role, as it is construed by the current economic leadership."

In another paragraph it contends that "we can assume that the situation that has arisen will have psychological effects on the financial system, which will spur the process of demonetizing the economy and of concentrating deposits."

8743

CSO: 3010

ARGENTINA

AUTO PARTS WORKERS PROTEST PLANT SHUTDOWN

Buenos Aires CLARIN in Spanish 3 Apr 80 p 4

[Text] The "Lista Verde" Automotive Unity Movement of SMATA [Union of Mechanics and Related Automotive Transport Workers], which is led by the union's former secretary general, Jose Rodriguez, yesterday issued a harsh statement criticizing the shutdown of the IME [State Mechanical Industries] and Borgward automotive plants; it voiced the opinion that the closure of the two plants "will mean the loss of vital income for almost 20,000 workers."

The union declaration was made public 1 day after the Borgward Argentina diesel engine plant in San Justo announced that its entire personnel roster would be laid off for a month, a move that was seen as portending the closure of the plant or at least a drastic reduction in its activities.

The union declaration emphasizes that "today it is the closure of IME and Borgward Argentina, just as yesterday it was Citroen and General Motors," adding that "to all this we must add the autoparts plants, the franchised distributors and the machine shops."

The union then criticized the governor of Cordoba Province, Gen Adolfo Sigwald, who "dares to say that the social cost is not that high."

The declaration also notes that "in his speech of 31 March President Videla said that no one was in a position to throw the first stone. Well then," the declaration continues, "we are going to be the ones to throw the first stone, because we do not know how the workers at Borgward Argentina are going to survive the 32 days of a layoff without collecting a single peso."

"Perhaps they should also lay off the foods, medicines and needs of their families?" the signers of the union declaration ask themselves.

The communique of the mechanics union leaders concludes by noting: "We are throwing the first stone at the conscience of our rulers. May this phrase never lose its symbolic meaning and become a desperate reaction."

Separately, yesterday evening all of the workers at the plant called on the church to intervene and prevent the shutdown of the factory. This took place at a mass meeting that they held with the auxiliary bishop of the diocese of San Justo, Monsignor Rodolfo Bufano.

The monsignor promised to bring up their situation with the episcopate before broaching the matter with national authorities.

In a parallel development, the Board of Directors of Borgward yesterday confirmed to its employees that the 1-month layoff stemmed from "totally outside decisions" inasmuch as in light of the imminent shutdown of IME, "our production program for the next few months is practically nonexistent," it indicated.

8743

CEO: 3010

ARGENTINA

TRADE WITH USSR TO BE EXPANDED, INTENSIFIED

Buenos Aires CLARIN in Spanish 8 Apr 80 p 16

[Text] Argentine and Soviet authorities yesterday began efforts to intensify trade between the two countries and to lay the groundwork for various agreements, particularly energy cooperation, both nuclear and thermal.

The Soviet delegation, which additional officials will join today, held talks yesterday with the secretary of commerce and international economic negotiations, Alejandro Estrada, and other economic officials.

The head of the Soviet mission, Deputy Foreign Trade Minister Aleksey Manshulo, termed yesterday's meeting "preliminary," clarifying that not until today, "when our delegation is rounded out, will we begin the plenary meetings."

The Soviet official indicated that they are scheduled to meet with the president of the nation, Lt Gen Jorge Rafael Videla, Economy Minister Jose Alfredo Martinez de Hoz and agricultural, energy, fishing and maritime shipping officials.

Manshulo also reported that next Tuesday the 13th, "a day before we head back to Moscow, we will sign a series of documents with Argentine authorities in connection with the agreements we hammer out starting today, which are aimed at doubling our trade, at least."

The Soviet official then stated that last year's overall trade between Argentina and the Soviet Union "easily surpassed \$300 million, with the balance being about 90 percent in Argentina's favor." He then indicated that in 1980 "we might make it close to \$600 million."

Manshulo later asserted that Argentina "is the main country, outside the socialist area, in relations with the Soviet Union, given the amount of bilateral trade," expressing his optimism that "it will continue to be number one in our foreign trade for many years to come."

With regard to possible pacts in the nuclear sphere, he emphasized that "we will not deal with this issue in depth. We are just going to analyze a number of approaches so that, if both countries consider an economic pact advantageous, the specific technical commissions can get together."

He said that he was unaware of a possible visit to Argentina by Soviet nuclear technicians, but he recalled that "last month an Argentine mission visited Moscow and spoke at length with our technicians on how the two countries can complement each other in this important field."

In conclusion, Manzhulo recalled that the deliberations beginning today would proceed within the framework of the Joint Argentine-Soviet Commission set up in 1974 and that the Soviet Union is currently taking part in preparing the Parana Medio project and furnishing installations and transformers for two steam-electric powerplants in Buenos Aires and Bahia Blanca.

Argentine Surplus

Trade between Argentina and the Soviet Union has traditionally been in our country's favor. Over the last 5 years our country has exported between \$210 and \$385 million a year.

During this period Argentina had export earnings of around \$1.37 billion, while imports over the same lapse totaled about \$100 million.

Trade developments over the last 5 years are as follows: 1973, \$288 million in exports and \$22 million in imports; 1976, \$219 million in exports and \$12.7 million in imports; 1977, \$210.7 million in exports and \$20 million in imports; and 1978, \$385.5 million in exports and \$11 million in imports. Last year, according to yesterday's estimates by Soviet Deputy Foreign Trade Minister Aleksey Manzhulo (the most recent official figures are from May 1979), total trade amounted to \$300 million, \$270 million in exports of Argentine goods to the Soviet Union and \$30 million in Argentine imports of Soviet products.

Bilateral trade is expected to hit \$600 million this year, and thus the USSR would maintain its status as one of Argentina's main clients.

We should keep in mind in this regard that in its series of meetings to begin today, the Joint Argentine-Soviet Commission might well take up these issues, including the export of 2 million tons of Argentine corn to the USSR that were left over from the previous harvest.

Surplus

Argentina has had the following trade surpluses: 1975, \$268 million; 1976, \$206.3 million; 1977, \$190.7 million; 1978, \$374.5 million, and 1979, around \$240 million, again according to Manahulo's estimates. It is an odd fact that over the last 5 years Argentina's trade surplus with the Soviet Union is practically the same as its trade deficit with the United States.

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CBO: 3010

ARGENTINA

IMBALANCED ACTIVITY IN AGRICULTURAL SECTOR REVIEWED

Buenos Aires CLARIN in Spanish 6 Apr 80 pp 4-5

[Article by Daniel Naszewski, former official at the Agriculture and Livestock Secretariat (1978-79), instructor at Buenos Aires University and agricultural specialist]

[Text] There are two ways to analyze the current agricultural situation.

One is to take a look at a series of economic indicators that point to positive developments, such as the high level of grain exports, the increase in gross output in 1979, the rebound in meat exports in 1978 and 1979 (though they are again falling) or the record grain and oilseed crops in 1976/77 and 1978/79.

The other is to monitor the development of other sector indicators, which offer a more in-depth view of what has happened in Argentine farming since 1976.

One of the indicators is the surface area that has been planted with grains since that time, comparing it with previous periods. These figures are good indications of what growers expect and the situation that they are experiencing, above and beyond the climatic vicissitudes that could cause a record harvest or a flop such as in the current 1979/80 harvest.

Thus, if we look at this indicator, we find that after the successful 1976/77 season, when the area under cultivation expanded by virtue of the positive expectations of growers (the new economic authorities were taking over) and the initial measures that were implemented, it again began dropping. The level for the 1979/80 season was 19.7 million hectares, according to the latest SEAG [Agriculture and Livestock Secretariat] estimates, which is 3 percent below the previous season, 8.4 percent below the 1976/77 season and 1.7 percent below the average area under cultivation during the 1969/70, 1970/71 and 1971/72 seasons.

Thus, the area currently under cultivation is smaller than at the beginning of the recently ended decade, despite the proposals to expand our growing lands beyond the moist Pampas.

Falloffs

Although we would assume that this drop in the area under cultivation was due to a parallel expansion of the lands devoted to livestock, an analysis of cattle stock developments indicates that livestock activity has also undergone a severe falloff.

The herd had been increasing from 1970 to 1977 at an annual cumulative rate of 3.4 percent, rising from 48.8 million head to 61 million, according to the 1977 livestock count.

Since then, as a result of an intensive liquidation process, stocks began to fall off to an extent that is hard to pinpoint due to the discrepancy between official figures (which indicate a drop to 57.7 million head as of mid-1979) and private estimates (which point to an even sharper drop). This is a serious falloff if we take into account that stocks were increasing year after year until 1977 and if we consider that in the near term cattle supplies will have to soften because of the above-mentioned slaughter of the herds.

The third indicator reflecting current farm trends is the contraction of investments in this sector, which we can exemplify by pointing to tractor sales on the domestic market, which fell more than 70 percent from 1977 to 1978. Furthermore, the sales level remained just about as low in 1979, and we can mention that the decreases have been such that the fleet of tractors in use has diminished over the last 2 years, inasmuch as sales have not kept up with the amortization requirements of this fleet of farm machinery.

Lastly, the panorama is rounded out with the situation of the regional economies outside the Pampas. The following common denominators can, in general, be ascribed to them: an increasing inability to export profitably and a falloff in domestic demand and in per capita consumption levels. We can include in this description sugar, cotton, grapes, wool, fruits and other such items in regions that specialize in these products and are thus heavily dependent on them economically.

Root Causes

There are basically four reasons for this situation, which is as serious as the one that characterized the sector in 1976, as the above data show.

First, the overvaluation of the peso with respect to foreign currencies, in an activity in which a large portion of output is earmarked for export, has brought about a steady decline in the income of growers, to the point of seriously cutting into their rate of return.

Second, the tax reform has, in practice, meant an increase in the tax burden on farming, via the real boosts in real estate taxes, income levies and marketing fees. This includes the Emergency Tax on Agricultural and Livestock Production, which was supposed to be applied for 2 years but which has still not been terminated.

We must also keep in mind that the drastic cut in export taxes that the Economy Ministry has implemented, which in practice has meant guaranteeing growers 80 percent of the world price for grains, has been steadily eroded by the undervaluation of the dollar.

Third, the financial reform that has been implemented has made growers reluctant (to the extent that they are able) to resort to loans to finance their development and investments expenditures, inasmuch as the interest rates that have resulted from the reform have, in general, been positive in real terms for farm producers, whose incomes in recent years have advanced more slowly than other prices in our economy. Furthermore, although this has not been the case at some points during this period, rates have been high enough to cause concern among growers, who are involved in an activity in which future prices and production outcomes are marked by a high level of uncertainty.

Lastly, I should mention the drop in domestic consumption and the competition from goods imported at a cheap dollar price. These developments have been prompted by the falloff in the purchasing power of our people and the logical inelasticity of demand despite increases in food prices, on the one hand, and by the policy of cutting tariffs, on the other. These factors have combined with the other, aforementioned points to shape our currently problem-ridden landscape.

8743

CSO: 3010

ARGENTINA

GRAIN TRANSPORTATION, STORAGE CAPACITY BELOW REQUIRED NEEDS

Buenos Aires CLARIN in Spanish 5 Apr 80 Supp p 12

[Interview with Jose Raul Pena, private business consultant and former adviser to the National Grain Board; date and place not given]

[Text] Now that the fine grain and coarse grain harvests are over, many sectors have again begun voicing concern over grain transportation and storage.

In a bid to find out exactly what the problems and shortcomings of our storage and transportation system are, CLARIN interviewed Jose Raul Pena, an engineer who served as an adviser to the National Grain Board until 1978 and who is currently a private consultant to companies linked to the grain sector. We asked him to outline the current grain storage situation and possible solutions to our problems, as well as the impact of the newly enacted Grain Law.

With regard to the present situation in grain storage in the country, Pena pointed out that "in reality we cannot talk about a shortage of overall storage space. What we have is poor distribution of storage. For example, there is a lack of space in northern Buenos Aires or southern Cordoba, whereas it is sufficient elsewhere. But moreover, since our facilities are, in general, very old or built according to old designs, and our ports are inadequate, our speed of shipment is very slow. Even though it doubled over the last 2 years, it is still too slow."

"The warehouses were empty until last December. Then came the grain harvest and, later, in March and April, the non-grain harvest. We now have a total of 32 million tons."

"If during the first 3 or 4 months of the year we had managed to ship 10 million tons, which is practically impossible because we are averaging 2 million a month, we would have just about 20 million left, which would take up all of the country's storage space. Under those conditions there would be no shortage, but actual conditions are otherwise.

"In the first place, we would have to expand storage capacity and double the speed of handling incoming and outgoing cargo, inasmuch as it now takes us 10 months to get out what we produce in 5.

"As a comparison I can mention that the United States has a 'storage capacity/production capacity' ratio of 1.7; in other words, it has more storage space than output. Ours, however, is 0.6."

[Question] What are the main shortcomings in our system?

[Answer] In the first place, the high cost of the facilities. We are working with 40-year old designs and materials, and the bins are very small in comparison with the size of the containers.

Another problem is the type of construction, because officially the state always chose reinforced concrete constructions, when it could have made them out of steel sheeting, which is how the private sector does it.

The underground silos were another bad experience because they have enormous leakage problems.

[Question] What kind of silos do other countries use?

[Answer] All kinds, in accordance with needs. The Canadians have enormous storage bins of up to 300,000 tons, but the climate and the narrower range of grains they produce are in their favor. They practice the so-called "horizontal" storage, with a flat bottom or silo-shed, in which the ground is used as the structure; this is much more desirable than an elevated silo.

We have to have a very clear idea about these two things: the incoming merchandise must be handled, loaded and shipped in a processing elevator that takes in the grain and ships it out, whereas prolonged storage must be done in another type.

In Australia they have the Queen Anne, the country's most modern elevator. It has a handling capacity of 150,000 tons and a storage capacity of 1 million tons in 2 horizontal bins of 500,000 tons each.

[Question] What type of construction would be best suited to our country?

[Text] The ideal thing would be to apply all of the construction technology in the world to Argentine elevators, while combining the structural and mechanical parts in a single project.

In connection with building projects, if you have a small area and put up a tall facility, you are going to need a much stronger structure to take the pressure of the stored grain. On the other hand, if you extend horizontally and use the ground itself as support, the weight is going to be much more spread out and you will need less of a structure, which makes things cheaper by the ton.

These silo-sheds can be built in the countryside, where there is more than enough space. In contrast, there is less available space in ports. The mechanisms for incoming merchandise, shipping, drying, etc., are separated in Argentine elevators. In other words, they are all separate operations, when what we need is exactly the opposite, in other words, integrate the facility so that the same machinery can be used for the various operations, which will boost efficiency and cut down on the number of tools needed.

The Association of Argentine Cooperatives recently drew up a design based on this approach, with two 30,000-ton storage facilities and an elevator that performs all of the functions: drying, cleaning, etc with a minimum of mechanization. It has four bucket elevators that do the whole range of operations, shipping included.

[Question] What is the comparative cost of a concrete silo and a steel sheet silo?

[Answer] A conventional concrete port elevator costs about \$320 a ton, and a silo-shed about \$50. Steel sheet silos are somewhere around \$120 a ton.

But needs dictate which ought to be used. For example, for fewer than 1,000 tons it is best to use a concrete silo; for 1,300 to 3,000, a steel sheet silo, and for more than 3,000 tons, a silo-shed (horizontal), which can also be made of steel sheets. This latter construction type has no upper limit on capacity, but costs rise as it gets smaller.

[Question] What, then, would be your recommendations?

[Answer] In the first place, I want to make it quite clear that as storage capacity increases, our bargaining capacity increases as well. The elevators ought to be located in the countryside, where there are no space problems; this way, the grains can be brought to ports in an orderly fashion whenever necessary.

Furthermore, we have to increase our speed of shipment. This will also cut the costs of vessel lay days and, at the same time, boost storage capacity by freeing the silos.

The type of building depends on the operations involved, but it is essential to combine the functions. With the systems that I described above, multiple bucket elevators and distributors, for example, we can save ourselves up to half the necessary machinery.

[Question] How does transportation affect this entire system?

[Answer] Each of the facets of the system has an effect. It so happens that here in Argentina we adopted, in general, the worst transportation system, road transportation, in trucks, though we were somewhat forced by the lack of infrastructure.

If we take a look at transportation costs per ton of grain, we see the following list, from the most to the least expensive: truck, from 5 to 10 horsepower/ton; train, from 1 to 3; barges, 1/5 of a horsepower, and ocean-going vessels, 1/10 of a horsepower per transported ton. This means that we ought to adapt our ports so that most of the transportation is over water. In this connection, our big advantage is that our largest production areas are in the spheres of influence of large ports, Rosario, Bahia Blanca and others, for example.

Meanwhile, we should be organizing train caravans to the ports, where the merchandise should be shipped as quickly as possible.

To summarize, the growers do not have storage and have to go to the warehousemen, who speculate on the rapid turnover in their facilities. Because drying the merchandise is more profitable for them than storage, they give it to exporters. Since there is no speculation involved in this process because there is more merchandise than can be stored, the producers are the ones hardest hit, because they are short of money or because they have to have their merchandise processed. Therefore, someone has to have the storage space and wait for the proper moment to sell.

[Question] Does the new Grain Law change the outlook at all?

[Answer] Conceptually, the problem is the same. It's just that now the private sector has to cope with it. What we need, however, is for an institution like the Chamber or the Exchange, which have an overview, to tackle the general organizational picture.

8743

CSO: 3010

BRIEFS

PRIVATE BANKS INTERVENTORS--Buenos Aires, 26 Apr (NA)--The following is the text of a communique issued this afternoon by the central bank regarding the interventions ordered by the central bank in the Internacional, Oddone, and De Los Andes banks: The central bank of the Republic of Argentina has reported that the bank board has adopted a resolution appointing the following persons as interventors: Roberto M. Abeles, interventor in the De Los Andes Bank S.A.; Juan Carlos Aste, interventor in the Oddone Bank S.A.; Alberto P. Huergo, interventor in the Internacional Bank S.A. The central bank also reports that these banks have been intervened in with the objective of insuring the normal development of these enterprises and the proper fulfillment of their commitments. These interventions presuppose the withdrawal of the boards of each of these enterprises with the interventors assuming the power of the boards. The other officials and employees will carry out their normal activities. Each enterprise will continue its operations in the same manner it has always done up to the time of the intervention--that is, receiving deposits and granting loans. (Text) [PY280256 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2003 GMT 26 Apr 80]

BANK EXECUTIVES DETAINED--Buenos Aires, 26 Apr (TELAM)--The brothers Hector and Jorge Grecco, president and first vice president of the board of the Grecco Enterprises, among which is the De Los Andes Bank which was intervened in yesterday, have been detained at the disposal of the executive branch. This report was confirmed today by a highly reliable source. He added that the second vice president of the Grecco Enterprise, whose last name is Bassil, has also been detained at the disposal of the executive branch. (Excerpt) [PY280258 Buenos Aires TELAM in Spanish 1522 GMT 26 Apr 80]

NEW FOREIGN INVESTMENT LAW--Foreign capital can now be freely invested on any of the stock markets in the country, according to modifications in foreign investments legislation. The new foreign investments law, sanctioned by President Jorge Rafael Videla on April 10, was officially released by the Ministry of Economy yesterday. A message accompanying the new law states that it is based on the experience of the three years that the foreign investments law ran in the form it had until the new modifications were introduced. Foreign investment on any of the stock markets in Argentina

will no longer require prior approval or registration of any kind, the message says. The message adds that shares thus acquired must not exceed two million dollars per foreign investor, nor two percent of the total capital of any particular firm, adding that this is further subject to the said firm not having placed more than 20 percent of its shares in the hands of foreign investors. Some foreign investment will, however, remain subject to prior approval from the executive branch, the message says, when it concerns national defence and security, public services, the media, energy, education and finance and insurance companies. [Text] [PY231706 Buenos Aires HERALD in English 23 Apr 80 p 1]

POLICE ARRESTS--Buenos Aires, 30 Apr (NA)--According to information released today by a source in the security force, four people who were caught distributing pamphlets containing communist quotations on the street were arrested by the police last Monday. The following people were arrested: 39-year-old Marta Beatris Carletto; 23-year-old Beatris Alicia Fornasan; 22-year-old Liliana Noemi Ettis and 20-year-old Marcelo Ricardo Catena. The aforementioned people were arrested when they were caught distributing the pamphlets near a textile factory situated on the corner of Alsina and Jujuy streets in the Once district of this capital. The source also reported that those arrested were put at the disposal of Federal Judge Norberto Giletta, who will try them for violating national security law No 21,323. [Text] [PY011213 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2153 GMT 30 Apr 80] **La Rioja, 25 Apr (TELAM)**--The local federal police today reported the arrest of Gerardo Manuel Reinoso, who is a member of the People's Revolutionary Army. Reinoso is allegedly connected with the creation of the Che Guevarra revolutionary movement in La Rioja Province in 1973, and so he will be charged with illegal association. [Excerpts] [PY260325 Buenos Aires TELAM in Spanish 2245 GMT 25 Apr 80]

SEVERE FLOODS--Dolores, Buenos Aires, 29 Apr (NA)--The number of evacuees due to the worst floods remembered in the history of Buenos Aires Province amounts to approximately 7,000, according to a report made by the director of the provincial Civil Defense Board, Col Nestor Rife (Ret). "The situation in Dolores is not an emergency; it is a disaster," Rife said. He confirmed that the board has requested and obtained the support of the armed forces in order to face the situation in the flooded region, which covers more than 1 million hectares. The official said that in spite of everything, population's health was good; and that with the help of helicopters, sufficient food and medicines have been provided to isolated persons who have not yet been evacuated. [Excerpt] [PY300349 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2149 GMT 29 Apr 80] **La Plata, 30 Apr (TELAM)**--Buenos Aires Governor Iberico Saint Jean confirmed today that 25,000 people have been evacuated in this province due to the floods affecting about 4 million hectares. [PY212215 Buenos Aires TELAM in Spanish 1455 GMT 30 Apr 80]

WHEAT SUPPORT PRICE--The Agricultural and Livestock Intercooperative Confederation (CONINAGRO) has sent a note to the secretary of agriculture and livestock pointing out the need to continue the system of wheat price supports. It states that an official reference price is one of the legitimate rights of growers, adding that in light of wheat's current impact on the world scene, "the lack of a consistent policy to encourage planting and thus enable Argentina to continue supplying world markets causes sharp fluctuations in our export volumes, with the resulting negative consequences in both trade and foreign policy." CONINAGRO later asks how the National Grain Board's decision not to play a prudent role in wheat production policy can be reconciled with the board's open intervention in supply and consumption policy. It also asserts that there is clear-cut intervention on the domestic market in the form of the subsidy represented by the fictitious exchange system and the suspension of the registry of overseas sales declarations. "These are two bearish measures that have deprived growers of their right to have access to foreign markets based on the law of supply and demand, the same economic law that the board is now pointing to as a reason not to set a support price." The confederation says in conclusion that as recent experience has shown, the proper course in farm policy is to prevent people from becoming needy and from then having to be dealt with as such. "These emergency measures," CONINAGRO concludes, "make no sense from a business standpoint and run counter to the dignity of Argentine grower." [Text] [Buenos Aires LA NACION in Spanish 1 Apr 80 p 4] 8743

WHEAT TO IRAN--Iran is prepared to import 1.5 million tons of wheat during the 1-year period beginning 21 March, but it expects to be able to reduce this amount by spurring domestic production, a high-level official stated yesterday. Morteza Movahedizadeh, the president of the National Trade Corporation of Iran, said that his country would buy grain from Argentina, Australia, France, Turkey and Romania. Iran produces about 5½ million tons of wheat a year. Last year it paid between \$210 and \$220 (US) per ton of imported wheat, Movahedizadeh said. The Iranians have already signed an agreement with Australia to import 500,000 tons over the next 5 months. No clear mention was made of how high the purchases from Argentina could go. [Text] [Buenos Aires CONVICION in Spanish 8 Apr 80 p 14] 8743

CSO: 3010

BARBADOS

BRIEFS

ADMINISTRATION'S ECONOMIC POLICIES PRAISED--Prime Minister Tom Adams of Barbados has said that his country was able to overcome the economic crisis of the 70s better than most of its Caribbean neighbors because of a mixture of good fortune and prudent policies. But Mr Adams pointed out that his country's achievements today gave no cause for complacency. The Barbadian leader made these observations in an article in socialist affairs, an organ of Socialist International. The prime minister pointed to the relatively high demands for energy by the Barbadian economy, particularly in light of its industry and tourism, and added that public policy emphasized a more equitable distribution of income for improvement in housing, water and transportation. Improvements in these areas, he said, had contributed to a rising energy demand which placed pressures on the island's balance of payments. In an effort to combat these problems, he said, the government had encouraged programs for exploration for local energy sources. Mr Adams noted that so far this exploration had shown that Barbados has total reserves of 5 million barrels of oil. [Text] [FL281454 Kingston Domestic Service in English 1130 GMT 28 Apr 80]

CSO: 3020

OPPOSITION LEADERS DEBATE NEW COURSES OF POLITICAL ACTIVITY

Rio de Janeiro O GLOBO in Portuguese 23 Mar 80 p 10

[Interview with four opposition leaders sponsored by O GLOBO. Name of interviewer, date and place of interview not given.]

[Text] A 5-hour debate among the leaders of the four opposition parties--Fraitas Nobre of the PMDB [expansion unknown], Thales Ramalho of the PP [Popular Party], Alceu Collares of the PTB [Brazilian Labor Party] and Adhemar Santillo of the PT [Workers Party], sponsored by O GLOBO--shows that in regard to some questions it is possible to find common ground on the parliamentary or electoral level. It is from the point of view of criticizing institutions that an eventual front of the opposition parties may be based. It was more difficult to clearly distinguish in what way those parties differ. Judging from what the leaders declared, the PT may approach the point of view upheld by Alceu Collares of the PTB: the parties must devote themselves to social and economic issues, to the voters' sensibilities and stomachs. The PMDB would be somewhere in between that point of view and the one upheld by Thales Ramalho of the PT, for whom any debate obligatorily begins with institutional issues.

Opposition Learning Toleration, Cooperation

[Question] How does each party leader regard the unity of the opposition parties in Congress: In a structured way, like a front, or depending on each issue?

[Thales] That front is already functioning in practice. Immediately on the renewal of parliamentary sessions it became a reality. The idea of a parliamentary front centered on a minimum program can be achieved.

[Collares] The intention of the government was to divide the opposition and in the beginning they were successful. There was a kind of division of labor among the opposition parties. Today, they are four political groups trying to organize themselves and each one is seeking to occupy the greatest possible political space. The MDB [Brazilian Democratic Movement], in terms of a socio-economic program, did not have any possibility of making progress because it comprised a broad front, including conservatives, reactionaries--a few--liberals and others with progressive, popular and democratic ideas. In its situation as a broad front, the MDB was not able to progress beyond the institutional problem. It is certain that for a long time the social problem was forgotten, the denunciation of social injustices was not made. The MDB was not able to denounce the usurpation of economic and social rights

with the same vehemence with which it denounced the usurpation of political rights. Today, with the division of labor among the opposition parties, some parties can advance qualitatively in those spaces and others can stay in determined positions which correspond to a majority of their own components.

[Question] Would that be the positive aspect of party reformulation from the point of view of the opposition parties?

[Santillo] I understand that the division took place without our participation. We all struggled, all four of us who are here, against the extinction of the MDB--and not because we are opposed to party pluralism; and that pluralism which is there is not the one that the nation wants. Much more than that is necessary, even including the possibility of forming political parties without obligatory presence in parliament, since it is the right of any segment of society to organize itself politically. That division, however, which for some people means the weakening of the opposition parties, from my point of view represents the strengthening of the opposition parties. I am certain that overall the opposition parties, even as they are being formed, can be successful in representing a good part of the population. What the PTB does not want to achieve, the PP will achieve; what the PP does not achieve, the PMDB or the PT will achieve. The front of opposition parties is an almost natural thought; there is no doubt that it will happen in the political-institutional field. However, in the economic field there will certainly be divergences in behavior--and we will not labor under any illusions with relation to that. There will be a division.

[Question] Do you mean that the opposition has divided itself at least in the economic field?

[Collares] There is no doubt that the opposition parties will attempt to change the government's conscious manipulations in the sense of creating in public opinion the feeling that problems are being solved--but only institutional problems. For example, look at the problems of poverty, of wretchedness and the housing problem, social welfare. These questions will obligatorily have priority in the struggle by the opposition parties.

[Santillo] I don't think there are any differences on that point. I believe there are no differences concerning the gradual struggle for the improvement of living conditions for the people.

[Nobre] I believe that it is a problem of perspective placed in the middle ground. In reality we are still not living under a democratic regime, which, in order to be reached, will still require a certain period of struggle. All the arbitrary government's implements for action, all the arbitrary authority is there, whether it be men or whether it be the instruments; the National Security Law, the Strike Law, the security measures like the state of emergency, the state of siege, the Falcao Law. The structure is still the same--the authoritarian structure. And the men who manipulate those instruments and that structure are still the same.

[Santillo] I think that we will be together all the way to the constituent assembly.

[Collares] There is another point there. The parliamentary and party problem is being discussed exclusively, other channels of communication by the people being forgotten. These are the community organizations, basic communities, associations to struggle against the cost of living, the OAB [Brazilian Bar Association], the CNBB [National Conference of Brazilian Bishops] and others. I think that up to now the parties have not had sufficient awareness to join in the struggle that those classes are engaged in. And they will not succeed in accompanying them in their claims, in their most serious aspirations, which are, without a doubt, the solution of social problems. How can you win the confidence of the people if not by defending their basic necessities? Is it possible to talk to a man about democracy, about liberty, if he doesn't have anything to eat, if he doesn't have a home?

[Thales] The essential, fundamental point is to denounce the illegitimacy of the regime. All of the other problems come from that, and those problems can be solved only by convoking a constituent assembly, which will draw up a new social contract, a new constitution. Starting from there, all problems, including political, economic and social problems, will be debated in that assembly. And all occurrence of political opinion existing in Brazil can be freely formed, freely organized, and can participate freely in the debate and consequently find a really effective solution for Brazilian problems. Let the people, itself, by means of a constituent assembly, form the state and give it its own image.

[Collares] However, Thales, how will you be able to reach popular awareness, principally that of the oppressed and marginal classes, so that they will transform the need for a constituent assembly into a great popular outcry? In 1946 there was a constituent assembly, but it was predominantly bourgeois and elitist. Now the moment has arrived when it is necessary to advance qualitatively in the political struggle. In addition to the need of establishing a lawful state we need a social state of democratic rights.

[Thales] Well, Alceu, a constituent assembly is the portrait of the country.

[Collares] And how can that be changed into a national outcry?

[Thales] It seems to me that the Flavio Marcilio Amendment has a much greater significance than it appears to have. It was the first act of sovereignty by the Legislative Power, which wants to reintegrate itself by its own efforts, by its own will, with prerogatives, with attributes, and with usurped attributes. It can be alleged that the Marcilio Amendment stands for only a little, but it represents a great deal in its significance: If Congress itself can win back the powers that have been taken away from it, if it can call itself into session, it can do more. And I think that it can do that even under the Constitution we have.

[Question] What would be more important from the point of view of the opposition parties: fighting for a constituent assembly now, with the opposition parties weaker and the PDS [Social Democratic Party], the government party much stronger, or should they agitate for a constituent assembly later on?

[Thales] The convocation of a constituent assembly is an act by a power, generally an act by a constitutional power. To claim that Congress can by itself at a given historical moment convoke a constituent assembly may appear to be unreal, a dream, a fantasy. However, it seems to me that this can happen even in this present Congress, and it is good to know that the Marcilio Amendment bears the signatures of 362 deputies and 48 senators.... It seems to me that there is no other way. At this moment, I can't see any other way.

[Collares] In the meantime, the dockworkers are making a different kind of opening, the ABC [Santo Andre, Sao Bernardo do Campo and Sao Caetano do Sul] is looking for another kind of opening, a much more concrete one, in the area of its needs.

[Santillo] With regard to the constituent assembly there is no doubt that we all want one. However, the struggle for democratization is not going on just in Congress. I understand that a new phase has now come forward. It is true that the present opening--this little opening--was achieved with the participation of the members of Congress, but it was principally achieved through the mass movements, principally in 1978. The political parties or the embryos of parties, in order to survive and not be overcome by events, will have to change their tactics, obligatorily participate in organizing the people. And whoever is not prepared for that will be run over by events.

[Question] In the meantime are the parties only congressional?

[Collares] Yes, they are congressional.

[Nobre] The problem of the constituent assembly is a people's problem. The elite has seldom caused the convocation of a constituent assembly. In 1789 it was the people, the General Assembly of the French Estates, which was the result of a popular effort.

[Thales] The people had nothing to do with the convocation. That was the work of the bourgeoisie. The ones who were represented in the Estates General were the clergy, the nobility, the bourgeoisie.

[Nobre] However, it was the revolution that took the Bastille....

[Thales] The fall of the Bastille was later....

[Nobre] It was the unleashing of the revolution.

[Thales] That is not exactly correct. You can find examples in our own history. The Constituent Assembly of 1946: The people hardly participated; it was at least half against the people.

[Nobre] If there isn't a popular base it is very difficult. When, in 1932, the Constitutionalist Revolution prepared the atmosphere, the Charter of 1934 came as a consequence of the revolutionary movement, from an unleashing.

[Thales] In our history we have not had any convocation of a constituent assembly which was not the result of a coup d'etat. The people have not participated.

[Nobre] The constituent power, when it comes, is a consequence of pressure. If there is not a popular foundation, it is difficult. However, in reality the elite classes snatch away that power from the people and sometimes make use of it by sidetracking it. But there is always a popular movement, whether it is well used or badly used.

[Thales] I think that there is a difference between the organization of the people and the function of a party.

[Question] And the participation of the employees in the management of enterprises?

[Nobre] That's where the problem is, including the problem regarding the participation of the workers in the decision-making process of the enterprises.

[Thales] I think that that participation in management is included in the programs of all the parties--including the PDS. I am speaking of the proposed model of society that is wanted, that the party is struggling for. It is very well defined in the programs of the PTB and of the PP.

[Question] And in the program of the PT?

[Santillo] The PT has still not approved its program, which will occur on 3 April, but the PT program will certainly propose a socialistic society, without any doubt. The transformation of society is the great aspiration of the people. It is struggling for the institution of a real democracy, but without the organization of the people, without the effective participation of the people, we shall have a democracy that will be overthrown on the following day, because the people are not prepared to guarantee the democracy that may be won. One of the great worries of the moment is that one, that a past error may not be repeated. The parties have to leave the predominantly congressional arena and concern themselves with the organization of the people.

[Question] You say that the people are not prepared for democracy?

[Santillo] They are prepared. Why not? They always have been. I am speaking in the sense of guaranteeing democracy because a coup d'etat will occur. Only a organized people, able to paralyze a country's economy when faced with a military coup, will be able to avoid the democracy's being stabbed.

[Nobre] I would like to introduce the social question, which is very clear in the PMDB's program. Perhaps there is the part which best fits my thinking, synthesized in the following way: "The PMDB considers that labor is the foundation of collective wealth. The interests of labor are more important than those of capital and they demand justice in the sharing of income and of wealth."

[Thales] Then it is a socialist society.

[Nobre] A party program that harmonizes with my socialist education is concentrated in that quotation.

[Collares] This is a conversation among brothers. I think that the program of a party means very little until it undergoes a process of intellectual metabolism and is deeply assimilated by all of its members. How can an advanced program, which proposes a free and democratic socialist society, achieve success if the members of the party have not assimilated it properly? All programs can be the best in the world. What is important is that the programs are able to be assimilated. We have the Constitution of 1946, containing important clauses in the social field, but they were never completely assimilated by the members of the parties that drew up that Constitution.

[Nobre] However, if ideological definitions have still not created conditions for those parties to compose those several important tendencies in the present community, the blame is not on us because the government has kept the parties from being democratically organized.

[Thales] How do expect to organize the people if you recognize that?

[Nobre] No. It is the question of the difficulties created for the organization of parties. Difficulties were created for the independent and democratic structure of the parties. Party structure is being built from top to bottom, either with many difficulties in general or with basic problems, without any conditions for breaking through the bureaucratic wall that the government has created, because it will increase the difficulties, far from facilitating them.

[Thales] Within the line of reasoning that you are giving us, and which is absolutely opposed to Santillo's, how does it happen that you wish to make the people aware and organize them to wind up with a convocation of a constituent assembly through them?

[Nobre] With the organization of the bases and the integration of the social groups, the communities, the associations, the unions, the religious groups, in such a way that this will be a labor in common. The parties can no longer sit around like figurines on the mantel; they have to go down to the grass roots and work together.

[Collares] How do you win the confidence of the marginal and the oppressed?

[Nobre] With party activity.

[Collares] When you talk to them about habeas corpus, they think you are talking about Corpus Christi. The people want to talk about food, about housing, because they need food, housing, health care. If we could at least do this as members of opposition parties..., but we can't do that in any way.

[Question] And as far as questions like district voting and the municipal elections for this year are concerned?

[Santillo] The four opposition parties are against the delay in voting, in favor of direct elections on all levels and against district voting. In the politico-institutional field there are no differences.

[Collares] They are trying to sell an article at a very cheap price. What good does it do to talk about district voting when the people are hungry?

[Thales] While you are still arguing about the hunger of the people, the district vote goes on and no one knows about it.

[Question] It seems clear that as far as the institutional topics are concerned the opposition parties are united?

[Thales] In the first place, I consider the PDS program the most advanced program of all the parties.

[Collares] What I am afraid of is that they will fulfill their program. Then what will be left for us?

[Thales] Now everyone knows too that the program is to be declared, recited, and not to be fulfilled. If it were to be fulfilled—and there I want to repeat a maxim of Minister Delfim Netto: "An opposition that asks for possible things is a stupid opposition, because the government comes in and does them immediately"—it would already be under way. I think that the Brazilian economy is not mature enough for participation in the management of enterprises. What we are seeing today in Brazil is an absolute lack of supervision, in civil society and through it in the National Congress, in the management of all the businesses in the country, including the state enterprises, the multinationals, the great national conglomerates. I think that today the worker is thinking more about stability than he is about participating in management.

[Santillo] It is necessary to sever the unions from the Ministry of Labor. We are accustomed to hearing people talk about unions because they talk about them in the ABC and in other places where a few authentic union leaders exist. More than 80 percent of Brazilian union members are in the hands of labor racketeers. And that is so true that Governor Paulo Maluf took more union leaders into the PDS than "Lula" (Luiz Inacio da Silva, President of the Metallurgical Union of Sao Bernardo and Diadema) has been able to take into the

PT. Stability is one of the greatest demands of the worker, as participation in management could be achieved if the unions were free, if the union delegates were in a position to work directly in the industries.

[Collares] Participation in management is not a demand of the authentic unions.

[Santillo]...In which we would have more effective participation by the unions, total liberty. However, it is true that participation in management is not one of the claims made by the unions. The unions even reject such sharing. They want other, more effective gains for the economic improvement of their class and an intransigent defense of workers rights.

[Collares] What the unions want is free negotiation.

[Santillo] Free negotiation which consequently is possible only with free unions.

[Collares] The right to strike.

[Thales] Those parties that we see out there were born inside Congress, with the exception of the Labor Party. This was the only one of the currently existing parties which was born, or is being born, among the people, among the workers and the working class. All the rest were born inside Congress, they are congressional, that is, they were born from top to bottom.

[Nobre] But do you hope that some day ideologically defined parties will exist?

[Thales] Of course. Even the ones that are there, if they do not receive legitimacy through the baptism of a popular vote, tend to disappear.

[Collares] That will depend on many things, because you know that we in the PTB still do not have the necessary number.

[Thales] And I sincerely admire the struggle being made by Governor Brizola.

[Collares] That is our struggle, not only his, although he is the principal leader.

[Thales] With all the respect that I have for you, I think that he is a man--and he even has a mystique about it--with an unbreakable faith, and he is very touching with it. Brizola has touched me many times, he has faith, he believes, he is stubborn, he has charisma, he has qualities of leadership.

[Question] How do you gentlemen regard that stigma of illegitimacy of the opposition parties when they, according to you, were born illegitimately?

[Thales] The ones who will decide whether they are illegitimate or not are the people. And now comes the question of the district vote, which Alceu alleged had no meaning.

[Collares] No, I did not allege that, or rather, I stated it, but in a much more delicate way.

[Thales] The district vote is fundamental, yes sir.

[Santillo] I also understand that the district vote is fundamental and it even seems to me that it is a violent blow against the opposition parties in general and principally against the parties with the most polished ideologies.

[Nobre] The fact is that all the changes are apparently made in the direction of conservatism.

[Thales] Changing so that everything will stay the same.

[Santillo] Exactly. The era of casuistry even seemed to be finished, but it is still going on.

[Collares] Just the other day I was watching a television program where one of our companions was taking part and as the program continued a man of the people got up and made this comment: "You are all the same. All you do is argue there in Congress and do nothing for the people." And that is the common opinion among the people. They imagine even that we have the power of decision ...because the government has conditioned everything and we go in the direction it indicates. It may be that now, with that decision by the parties, it may be possible to attempt to reverse the situation: to discuss the minimum wage, housing rental, food, clothing, the things that are within reach of the understanding of the masses, because the masses have no possibility of participation; only the upper classes participate.

[Santillo] We are tired of hearing about that, Alceu. You do not need to make speeches to us, as we know about that perfectly. What is happening is that if that position which you are defending were capable of really not only reversing events, but of making the government conscientious in the sense of beginning to discuss those topics....

[Collares] I do not wish to make the government conscientious, I want to make the people aware.

[Santillo] What I want to make clear is that it seems to me that it doesn't help the people in general at all for us to argue about the socio-economic situation while the government is playing over there with the "package" of the district vote, delaying elections, etc. while we are resolving not to discuss the problem because it is not in our interest while the situation appears as it does.

[Collares] No, no. You win the confidence of the people when you speak of their problems. The people's problems are what we are talking about. You are being unjust with your colleagues, because the subjects that concern the people are being discussed every day....

[Collares] I am referring to the preponderance of the topics.

[Santillo]...Including the presentation of a proposal which the government appropriates later.

[Collares] That is not true. The emphasis is always on institutional questions, because the representation is from the upper classes.

[Nobre] However, everything depends on using the instruments that mobilize and mature the people in the exercise of their claims and of the pressure of public opinion.

[Collares] In Congress, 80 percent of the representatives serve the upper classes and the dominant classes.

[Nobre] That is true, but the pressure of public opinion has an extraordinary strength. Now when you use the pressure of public opinion....

[Collares] We are trying to come up with some truths.

[Thales] We are talking about parties in future terms, I believe.

[Question] Do you gentlemen believe in the viability of adopting the district vote?

[Thales] In my opinion, an absolutely honest, loyal opinion, the district vote as it stands will not get out of Congress, not even if they surround it with all the tanks of the Army and the Mirages of the FAB [Brazilian Air Force]....Now I am not going to claim as much for the district vote itself, because there you will find proportions: 20 percent for the district vote and 80 percent for proportional representation....I will know from that whether that Congress up there is for the upper classes or not....

[Collares] You have been in it how many years and don't know?

[Thales] I am trying to reason with data taken from reality and with the knowledge that I have of that upper class Congress, if that is what it is.

[Collares] It is upper class. It serves the dominating classes rather than the working classes.

[Santillo] As far as that goes, there is no doubt. Exactly for that reason is why the people do not give a great deal of credit to the debates in plenary session. The government has declared that the opposition parties in

general are publicly advocating the holding of the municipal elections this year but that because of the difficulties involved in organizing the parties they are acting hypocritically. That the opposition parties in private have declared that even under the pressure of mayors and councilmen they are in favor of delaying the elections.

[Thales] In my opinion we are talking about a condition of fact. And what is it? It is that no matter how rapidly the parties organize themselves it will be difficult to hold the elections. And the sole blame for that is with the government. The electoral courts have nothing to do with that; it is above suspicion. When the president of the republic sanctioned the law, the other day, the Supreme Electoral Court was already in recess. Obviously, that was part of a time-table, a strategy. And whoever took the trouble to add up periods of time saw that the elections cannot be held. But let's admit that one or two parties may be successful in organizing themselves in terms of 2000 municipalities, which is already a fantastic idea in my opinion. And superhuman; I think it is impossible. And the other 2000? What is the juridical solution for them? And there is also a legal problem, a problem of doctrine and of faith, which is ours: we want the elections to be held. Deputy Adhemar Santillo has a proposal that will solve the problem by granting the provisional municipal commissions the power of registering candidates for municipal positions.

[Nobre] The PMDB has a study that shows that those commissions can register candidates. There is even an opinion in that sense. However, in spite of that judicial interpretation, which will permit participation, the PMDB will do its best for an approval of the Santillo project.

[Question] Are the opposition parties really in any position to dispute an election? Do they have any real interest in disputing those elections, even if they lose, within the rules of the game?

[Santillo] What is happening is this: it is really impossible, even for the government, to organize its party in all Brazilian municipalities for this year's elections. That is even if there isn't so much as one challenge--I even believe that within the government party there will be many challenges, because the fight for power is sharper there--only the legal delays would practically prevent the holding of the conventions at the normal time for the launching of candidates' campaigns.

[Question] The question of supervising public expenses, of the use of public monies, would that be of concern to the opposition parties?

[Nobre] I am in favor of using a special law. The members of Congress, as citizens, would set in motion a class action in each case for the purpose of investigating determined accusations and of making the money mispent through harmful, fraudulent and criminal acts return to the public coffers. Class action is a very valuable instrument.

[Thales] Do you know any class action which has achieved its aims? I would like you to name me one.

[Nobre] There are very few that have achieved them.

[Thales] You must name one.

[Nobre] The ones that have given positive results are rare. In Sao Paulo, however, there have been two cases of class-action suits with results.

[Thales] For me a more useful instrument is the one that the housewives use when they boycott meat, for example.

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COLOMBIA

NEW EQUIPMENT PLANNED FOR NAVY

Bogota EL SIGLO in Spanish 7 Apr 80 pp 3,13

[Television question-and-answer session with the commander of the National Navy, Gilberto Barona Silva; date and place not given]

[Text] The Federal Government is currently studying a Defense Ministry plan to expand the National Navy's fleet of submarines, vessels, patrol launches, helicopters and planes in order to monitor Colombia's two seas, which cover close to 1 million square kilometers.

This announcement was made by Gilberto Barona Silva, the commander of the National Navy, who also reiterated that Colombia would defend the keys in the San Andres and Providencia archipelago. In addition, he confirmed that neither Colombian nor Venezuelan ships are patrolling the ocean areas near Venezuela and that, on the contrary, the governments of the two nations are moving towards a desirable agreement.

The commander made these and other major statements on the television program "Aqui Entre Nos," which is hosted by newsman Alfonso Castellanos.

The admiral held the following dialog with citizens from various parts of the country:

Jorge Barrero, teacher, Bogota: I have several concerns with regard to the sea. One of them is this: a country does not exercise its sovereignty solely by dint of arms. Sovereignty must be supported by a utilization of resources. What serious projects or programs is the government expanding upon in this field?

[Answer] Indeed, sovereignty is exercised in peacetime by developing ocean resources, both renewable and non-renewable. Colombia is currently going about developing its resources. Law 10 of 1978 extended the sovereignty jurisdictions of the Colombian state to 12 territorial miles and to an exclusive economic zone of 200 miles. This resulted in a series of renewable and non-renewable resources over which the Colombian state has jurisdiction. This is, of course, going to require a number of new approaches to develop these resources.

Alfonso Castellanos: What countries would be collaborating with Colombia?

[Answer] Colombia has received offers of technology and collaboration from Japan, South Korea, Canada, Holland and other developed countries.

Serious Thought Being Given

Alfonso Castellanos: Is serious thought really being given to the sea?

[Answer] Yes. The law of the sea, which established these jurisdictions, has forced both the government and the private sector to give serious thought to the sea as a very important option in the country's comprehensive development, an economic option that could mean very rapid development for Colombia, not only from an economic standpoint but from an ecological one as well.

Landlocked Mentality

Tulia Eugenia Ramirez: We have an example right next to us, Peru. A few years ago it managed to vie with Japan for first place in the development of ocean resources. Why has it taken us Colombians so long to discover that the oceans are important?

[Answer] There are two circumstances that I ought to mention with regard to this question. The first is that Peru, along with the countries on the South Pacific, was one of the first nations in the world to declare a 200-mile jurisdiction. With the "Declaration of Santiago," Peru, Ecuador and Chile established a 200-mile limit for the exploitation of their resources. This took place around 1950. Since then, they have been exercising their sovereign rights over those resources and developing them. In addition, Colombia has been a country with a landlocked mentality. During the last century and for a good part of the present one, our country has not thought about its waters and has not manifested a maritime inclination or awareness. Many Colombians involved in industrial and commercial activities do not currently realize their ties with the sea, coffee growers, for

example. They normally go about growing their coffee, realizing that it is an export item, but they do not know that their product has a tie-in with the sea, in other words, that coffee exports depend on ocean shipping and freight charges in order to be competitive overseas at a given moment.

More Equipment

Eugenio Rocha, biologist, Bogota: Now that Colombia has doubled its maritime area in recent years, I would like to know whether the National Navy is capable of protecting the people who work in our waters and whether it can expand its fleet to truly exercise national sovereignty.

[Answer] The expansion of our area of jurisdiction created a basic problem, guaranteeing the sovereignty of the country's rights to its resources. This problem is being resolved. The National Navy currently has surface and underwater units that can perform this task to a limited extent, but the government is also intensively involved in special programs to expand our naval forces in order to provide protection not only for Colombians who are going to tap our waters but also for the resources within our areas of jurisdiction.

Submarines

Alfonso Castellanos: Would you like to specify for us what new equipment we are going to get to guard our waters?

[Answer] A coastguard corps was established by decree. It is going to have a number of quick patrol boats that are going to be operating in both the Atlantic and the Pacific. Efforts are currently under way to purchase them. The specifications are being set forth, and the essential steps are being taken to acquire patrol launches that are going to protect our fishermen against people committing illegal acts in our areas of jurisdiction.

Alfonso Castellanos: Are we going to have more destroyers and submarines?

[Answer] There are specific programs for that purpose. We are scheduled to get additional surface and underwater units.

Defense of the Keys

Jaime Caicedo Buenaventura: How are we going to defend San Andres and the keys? People are saying that Nicaragua is trying to take them away from us.

[Answer] My answer to you must be that how we defend San Andres and Providencia is a question of naval strategy and tactics. Given the time restrictions of this program, it would take too long to discuss these issues, but you can rest assured that these islands will be defended whenever necessary.



Gilberto Barona Silva

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CSO: 3010

COLOMBIA

TRADE MISSION TO GO TO COMMUNIST CHINA

Bogota EL ESPECTADOR in Spanish 22 Mar 80 p 21-A

[Text] Colombia announced officially yesterday that it would be sending a joint trade mission to mainland China to discuss possible economic exchange programs with Chinese authorities.

The announcement was made by the director of the Export Promotion Fund, Manuel Jose Cardenas, who specified that the visit by the delegation is scheduled for the second half of this coming October.

As we will remember, Colombia and the People's Republic of China established relations several weeks ago, which paved the way for bilateral trade programs.

Contacts for the trip by the national mission are being made through the Export Promotion Fund office in Caracas, inasmuch as Venezuela has an ambassador in mainland China.

Cardenas Gutierrez said that the Colombian delegates are scheduled to visit three cities, among them Peking.

At the same time he unveiled the lists of products that China might buy from Colombia and vice versa. They are as follows:

Main Products That the PRC Could Offer Colombia

Crude petroleum oils, petroleum, gasoline, newsprint, rice, tea, cinnamon, cinnamon flowers, garlic and other legumes or vegetables, fish fats and oils, pork lard and fat, canned foodstuffs, undershirts, fabrics of synthetic or man-made fibers, silk, silk or synthetic-fiber clothing (bed clothes), padlocks, scissors and knives, barbed and other wires, iron and steel sheets, sections and bars, motorcycle parts, tools, electric motors, lights for illumination and signaling, scientific information films, odontological instruments and equipment, textile machinery, looms and sewing machines, common metal electric razors, intermediate mechanical or electrical machinery, tractors,

locks (mainly for vehicles), ballpoint pens, watches, porcelain tableware, thermos bottles, toys, musical instruments, bicycles, sports items, photography items and equipment, jewelry, chinaware, arts and crafts, bicycle or motorcycle tires, chemicals - general and pharmaceuticals.

Products That Colombia Could Offer the PRC

- A. Man-made or synthetic textile fibers
- B. Vegetable fiber fabrics
- C. Leather travel items

A. Inorganic chemicals and by-products, mainly compound fertilizers, sodium and potassium nitrate, fluorides, fluorine silicates and other fluorine salts, phosphates, ammonium chloride, sulfur, yellow oxide of lead.

B. Organic chemicals, mainly benzene, butadiene and similar items, teraphthalic (?) acid, synthetic organic coloring matter.

C. Pharmaceuticals: vaccines, antibiotics, serums and similar items

Minerals, mainly:

- A. Natural gypsum
- B. Lead
- C. Zinc
- D. Refined or electrolytic copper
- E. Quartz

Beverages and Processed Foods:

- A. Instant coffee
- B. Natural yeasts
- C. Sugar
- D. Alcoholic beverages (wines, brandies, drinks, anisette, rum)
- E. Bulk soybean oil
- F. Casein
- G. Animal feed
- H. Cocoa butter

Metalworking Sector:

- A. Hand and power pumps
- B. Agricultural machinery and equipment
- C. Iron or steel tubing, except cast-iron

- D. Medical and surgical instruments
- E. Forged parts for vehicles, tractors and industrial machinery, both tooled and rough

Agricultural and Fishing Sector:

- A. Green coffee
- B. Bananas
- C. Light and dark tobacco
- D. Cocoa beans or fermented cocoa
- E. Sesame seeds for consumption
- F. Soybean seeds and products
- G. Soybean oil
- H. Beans
- I. Grapes
- J. Corn
- K. Wheat
- L. Lentils
- M. Dried peas and beans
- N. Sorghum
- O. Oilseed cakes, mainly cotton and soy
- P. Uncarded and uncombed cotton
- Q. Fish scraps (shark fins and fish bellies)
- R. Beef and frozen beef sausage meat
- S. Shellfish

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CSO: 3010

COLOMBIA

F-2 SEIZES DOCUMENT FORGERS

Bogota EL ESPECTADOR in Spanish 13 Mar 80 p 20-A

[Article by Luis de Castro]

[Text] In what was described as the most telling blow ever dealt by Colombian authorities to organized crime, the F-2 of the National Police Staff succeeded in breaking up an extremely powerful gang that specialized in the forging of dollars, Colombian paper money, national documentary stamps and all kinds of official and private documentation.

The operation led to the capture of five of the members of the vast organization and to the confiscation not only of all of the equipment that they used for their illegal activities but also of a large amount of dollars, Colombian bills, tax credit certificates and other negotiable instruments valued at more than 250 million pesos.

The Accused

The arrested persons were identified as Miguel Tabera Escobar, Baronio Ernesto Beltran, Juan de Dios Pena, Freddy Norberto Pardo Uribe and Yolanda Gonzalez de Beltran. They were placed in the custody of 27th criminal court judge Dr Winston Guillermo Martinez Millan, who for some months had been looking into a large-scale forging of INTRA (National Transport Institute) permits, apparently by the same gang that was uncovered.

The blow dealt to the gang of forgers was the result of a lengthy series of investigations that began close to 6 months ago after the arrival in Colombia of a French citizen who was suspected of involvement in the smuggling of special security paper for forging bills and official documents into the country. Although this individual disappeared, he left behind him a series of clues that contributed to the success of the investigation.

On Tuesday evening, the day before yesterday, based on the results of skillful intelligence work, 10 of the most experienced P-2 agents were staked out at No 8-04 south, Third Avenue in Bogota, the house in which the giant forging operation was located.

Well Equipped

The normal-looking house was quickly searched by the agents, who discovered the operations center of the band of forgers. It consisted of a modern shop with printing machines, stamping presses, cutting machines, driers, burners, typographical sheets, stereotype plates, photographic reproduction and enlargement equipment, as well as a great many inks, solvents and special paper for perfect imitations not only of national and foreign currency but also of negotiable instruments and other official documents.

In one of the rooms of the house agents found the following ready to be distributed: 10 million dollars in bills of various denominations, 40 million pesos in tax credit certificates, 100 million pesos in national documentary stamps of all prices, a large amount of foreign bank checks, tickets for special drawings in various lotteries, remains of countless official and private documents, negatives for forging dollars and a perforating machine to give the final touches to the sheets of stamps and prepare them for distribution.

The forgers had installed an incinerator in their sophisticated shop, no doubt to destroy all of the scraps left over from their printing work, so that their garbage would not contain any clue that might lead to the discovery of the activities that they were carrying on in the building, which is located in the La Maria district, whose residents are unassuming, middle-income people.

Special Judge

As was reported at the beginning of this article, Dr Winston Guillermo Martinez Millan, the 27th criminal court judge, was commissioned to carry forward the investigation, inasmuch as he had been working since last October on a case connected with a large-scale forging of INTRA permits, which apparently came from the recently discovered "factory."

Col Miguel Mesa Marquez, the head of the P-2 of the Police Staff, expressed his satisfaction yesterday with the outcome of the investigation. He said that it was the biggest blow ever dealt to forgers in this country and perhaps in all of Latin America, inasmuch as the gang was faultlessly organized and capable of bringing into the country special security inks and paper to forge bills and negotiable instruments, which vary according to the kind of document.

International Links

Col Maza Marquez also stated that investigations would continue in a bid to establish the gang's possible links with overseas elements. This is likely if we bear in mind that in order to forge the paper money of various countries, a series of technical specifications and other details that are very hard to obtain in Bogota are needed.

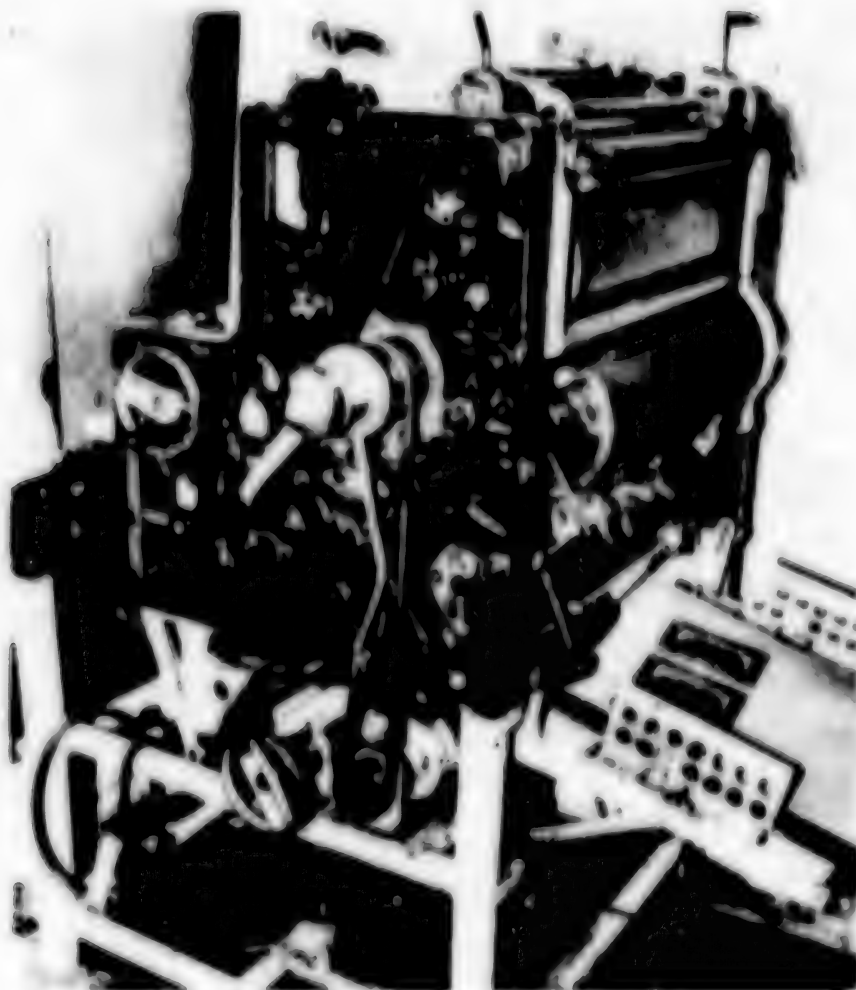
We should add that the discovery of the major forging center tallies with international news cables published several months ago in this country which pointed to Colombia as the possible center of a major forging operation of dollars, travelers checks and bills from various other countries.

The woman and the four men who were arrested will be submitted to questioning possibly as of next Monday, inasmuch as the trial judge must first take care of a series of formalities designed to lay a firmer foundation for the inquest.

Dr Luz Magdalena Mojica Rodriguez is expected to represent the Public Ministry at the trial. An official in the Attorney General's Office, she has been involved in the investigation into the INTRA-reported forging of permits.



The above are the five individuals captured by the F-2. From left to right, Freddy Norberto Pardo Uribe, Juan de Dios Pena, Miguel Talero Escobar, Blanca Yolanda Gonzales de Beltran and Baronio Ernesto Beltran.



One of the modern pieces of machinery that the gang of forgers located in the La Maria district of Bogota used to print dollars, Colombian bills, documentary stamps and other negotiable instruments.

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CBO: 3010

COLOMBIA

ARMORED CARS BECOMING POPULAR, USE OF MORE URGED

Bogota EL TIEMPO in Spanish 16 Mar 80 p 1-B

[Text] The boom in private armored cars, of which there are more than 100 in Colombia, is one of the sad consequences of insecurity and terrorism in our country.

Various Colombian industrialists, bankers and even gangland leaders have invested somewhere between 1.2 and 1.5 billion pesos to protect their cars...and their lives.

Most of the armored cars are Mercedes Bens and BMW's. One of their characteristics, however, is that people cannot see that they are armored, and therefore they move unnoticed through the streets and avenues of Bogota, Medellin, Cali, Barranquilla and other cities.

Nevertheless, in the event that they are attacked by kidnapers or terrorists, the cars blunt the assault with several of the following security devices:

- Airtight passenger compartment protection, which insulates them from the motor, even if it explodes.

- Bullet-proof windows that are resistant to shots fired from 44 Magnums, M-1 carbines, 12-caliber rifles with 00-BK ammunition and 9-millimeter submachine guns, among others.

- Reinforced gasoline tank to prevent blazes caused by bullet impact.

- A protected battery to prevent a shot from wiping out the car's electrical system.

- An automatic fire extinguishing system at key points in the car; it can be activated from the passenger compartment.

- Microphones for outside communication without having to open the windows.

--A siren to attract attention in the event of an emergency.

--Bullet-proof tires that are reinforced to resist both bullets and spikes up to 10 centimeters long.

Many of the crimes committed in Colombia in recent years, such as the cases of industrialist Carlos Abusaid, Col Osiris Maldonado and politician Joaquin Motta Motta, could have been prevented if these kinds of vehicles had been used.

Nevertheless, you have to have a very good reason to buy an armored car in Colombia, because these vehicles carry a 200 percent tariff on the overseas purchase price. Thus, a Mercedes Benz 220-S, with armoring installed at the factory, could cost 30 million pesos, and any make of car, even a Mercedes Benz, whose armoring has been installed by a specialized shop in Italy, the country that offers the most reasonable prices, costs between 12 and 13 million pesos.

Moreover, the importation of completely armored vehicles is currently prohibited by law, for security reasons. The government feels that if these vehicles were allowed to enter freely, many of them would be used to protect gangland leaders, who might even manage to elude the authorities.

For this reason, the cars being imported into Colombia do not offer all of the safety guarantees listed in the catalogs of Bonessi and Marazzi, the two most famous Italian armoring companies. But even so, it is hard to get a projectile through the body, a bullet through the windows or a spike through the tires of one of the armored cars that travel the streets of a number of cities every day.

The Bonessi plant, in Milan, specializes in Fiats and small cars. Every year, between 15,000 and 20,000 cars of various makes and sizes leave its garages for the world market. The degree of sophistication of the security devices offered depends on the interest, importance and, of course, the budget of the client. For example, a telecommunications system can be installed in the vehicle that can hook into official police or army frequencies at a distance of more than 150 kilometers. France, Italy and Spain are the main buyers of Bonessi protection devices.

Its competitor, the Marazzi company, specializes in more sophisticated jobs. It protects luxury cars like Rolls-Royces and Mercedes Benz, in which it installs devices worthy of James Bond movies, for example a device that, in the event of pursuit, discharges a black, rubbery substance that sticks to the windshield of the car behind and completely blocks the driver's vision. It also installs camouflaged vents that look like part of the body but that enable passengers to fire weapons and repel attacks.

Should Be Mandatory

According to some accounts, the first armored car was imported into Colombia by Gen Gustavo Rojas Pinilla. However, retired Gen Luis E. Ordonez, who was chief of security during Rojas's administration, told EL TIEMPO that this was "a folkloric account belonging to collective insanity." According to him, the general's famous black Cadillac had no armoring. After the fall of the dictatorship, it was sold at auction to a man, who painted it red and uses it as his private car.

In reality, armored cars began arriving in Colombia just 3 years ago. In light of worsening security conditions, they were brought in by a number of industrialists under threats and well-known private sector figures who feared for their physical safety.

"Armored cars should be mandatory for certain officials in the cabinet and the office of president," one of the importers of these vehicles told EL TIEMPO. "In the long run, they will save on expenditures for bodyguards, escort cars, kidnaping insurance, etc."

But even if they did not, many people feel that risks are so drastically reduced that the investment is justified. This conviction has grown so much that an estimated 150 armored vehicles are going to be imported this year, and they will be traveling our streets without anyone knowing that they are armored, except their owners.



There are specialised shops that can armor any car you want, from a Simca to the most sophisticated Mercedes Benz. Only the driver knows that he is riding in a car that cannot be penetrated anywhere by bullets or opened too easily. They still have their "Achilles' heel," however, because armored tires have not yet hit the market.

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CSO: 3010

COLOMBIA

'ALTERNATIVA' CLOSING FOR FINANCIAL REASONS

Bogota EL ESPECTADOR in Spanish 23 Mar 80 p 7-A

[Interview with the editor of ALTERNATIVA, Enrique Santos Calderon, by Guillermo Gonzalez U.; date and place not given]

[Text] "To dare to think is to begin to struggle." These words appeared at the top of the magazine ALTERNATIVA for more than 6 years, ever since its first issue went on sale. But strong economic backing is needed, in addition to thinking, to keep a weekly publication going, and for financial reasons the magazine will soon cease to appear.

Although right-wing factions branded it a far-left publication and a number of groups of Colombia's divided left called it liberal, nevertheless, no one can deny the quality of most of its issues and its independence in the face of economic pressures. Contributing to it were respected Colombian intellectuals and newsmen such as Guillermo Fergusson, the now deceased physician; Alvaro Villar Gaviria, also a doctor; writer Gabriel Garcia Marquez, one of its main champions; Alvaro Tirado Mejia, the historian; Antonio Caballero, a prominent journalist; Gerardo Molina, a nationally respected intellectual; attorney and university professor Eduardo Umaña Luna; newsmen Daniel Samper Pizano and, among others, Jorge Orlando Melo, Diego Montana Cuellar, Beatriz de Vleco, Jesus Antonio Bejarano, Ramon Perez Mantilla, Diego Leon Hoyos, Alejandro Brand, Nazareth de Cruz and Kelly Velasquez, editorial secretary.

We spoke with the editor of ALTERNATIVA, Enrique Santos Calderon, to get an in-depth idea of the factors that prompted the decision to close (next week's edition will be the last).

"Palace" Pressures

Question: What is the basic reason for ALTERNATIVA's closure?

Answer: The main reason is an untenable economic deficit since the end of last year; it comes to more than 3 million pesos. Moreover, each issue of the magazine was losing about 150,000 pesos. We made the decision late last year, because it was utopian to keep a publication going without the natural sources of support in an economy like this, such as advertisements.

Question: But didn't you carry advertising for a while?

Answer: Yes, we decided to carry advertising. We launched a campaign to get business advertising and, in fact, we got Fiat to contract for several one-page ads. But the second ad that we published for this company triggered a series of "palace" pressures that caused the advertising agency that had given us the ads to discontinue them.

Economic Censorship

...In the wake of this we realized all of the underground pressures at work against the independent press, as well as the existence of real economic censorship, which is actually and ultimately an assault on freedom of the press.

Question: So freedom of the press is affected by economic factors?

Answer: Even though freedom of the press exists formally, inasmuch as anyone can put out an independent publication, you cannot rely on having the kind of publicity and economic resources that the establishment press enjoys. We also had serious problems with the distributor, El Dorado. There were serious shortcomings in the distribution and sale of the magazine, and from an economic standpoint any shortcoming in distribution is disastrous for a publication that depends mainly on its street-corner sales.

Question: Is the closure permanent?

Answer: It is a recess, and it will last as long as necessary to refinance a new undertaking that, whether it is called ALTERNATIVA or not, is going to have to have a really solid economic foundation.

We will not reappear in a makeshift fashion, nor will we continue to work under cottage industry conditions that make it hard for us to really compete with the mass media that back the government.

Unprecedented Experience

Question: Your magazine always carried the words "To dare to think is to begin to struggle"...

Answer: I think that over the last 6 years we gave an example of what that thought means. Against all odds, against the very economic logic of the system, we kept ALTERNATIVA, an unprecedented journalistic experience, afloat. During this period, throughout the country we came up with a really exceptional team of journalists with a new outlook and with different approaches to what news is. The team is here, and this experience is a lesson that is going to bear fruit in the future.

Question: How do you feel after having made the decision?

Answer: Sad, and somewhat up in the air. But it was a decision that we knew ever since last year we had to make. We kept going during this period because we had to take part in the election debate. But besides what the closure means in itself, it pains us to have to fold in the midst of the extraordinary political and journalistic situation created by the takeover of the Dominican Embassy, but that's part and parcel of the business.

Question: Does ALTERNATIVA's shutdown leave a vacuum?

Answer: We are aware of the journalistic, informational and political vacuum that ALTERNATIVA's closure leaves, and in this regard we intend to fill it as soon as possible. However, we are also aware that it is physically and materially impossible to continue working under the conditions that we have been, conditions that were causing all sorts of wear and tear on people. We have to have a financial and professional groundwork that will guarantee the continuity of an undertaking like this.

García Márquez and ALTERNATIVA

Question: Has García Márquez been informed of the closure? Is it true that he partly financed the magazine?

Answer: He has known about it since last October. Gabo is one of the many persons who has helped to cover the ongoing deficits that ALTERNATIVA has run, but for about 2 years now the magazine has been

kept afloat, willy nilly, with the proceeds from its street-corner sales and through a very intense subscription drive that we had been conducting because we had come to the conclusion that the magazine had to become financially self-sufficient and depend on its own wherewithal and that it could not continue to rely on the generous contributions of many individuals. The only way to guarantee the long-run survival of the magazine was for it to generate its own funds. When we were unable to do this, we decided to discontinue it until we secured refinancing on more realistic foundations.

Question: Is this is a harsh blow to the Firms Movement?

Answer: I think that Firms is a pretty consolidated movement at this point, as the recent elections demonstrated. The magazine's folding is obviously a regrettable development for Firms, but to the extent that the movement succeeds in putting out its newspaper regularly, it will partly make up for its absence.

Question: Have you thought about putting out a daily publication, a newspaper?

Answer: This is one of Cabo's longstanding obsessions. It is really a long-term objective towards which we must work. But since we have not managed to keep a weekly magazine going, the possibility of putting out a daily paper is utopian for the time being.

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CSO: 3010

GOVERNMENT WITHDRAWS PROTECTION FROM PERUVIAN EMBASSY

Havana GRANMA in Spanish 4 Apr 80 p 1

[Text] In recent months, common criminals, lumpen and antisocial elements who were not granted authorization by foreign governments to travel legally to the countries to which they want to go have adopted the procedure of entering foreign embassies by force. For reasons that are not very clear, these elements have shown a preference for the Venezuelan and Peruvian embassies. The governments of those countries have elected to receive these violators of diplomatic immunity into their embassies instead of rejecting such a practice which is dangerous for the very security of all diplomatic officials.

Such action encourages acts of violence against embassies accredited in our country. The Revolutionary Government of Cuba, for reasons of courtesy and consideration for those governments, has sought to find solutions and has resolved different cases of this type, granting those elements the authorization to leave the country, warning those governments on each occasion however, that their action encourages the use of force, terrorism and violations of diplomatic sites. As was to be expected, encouraged by the success of such endeavors, these events have continued to take place. At no time were the individuals who entered the embassies by force involved in political problems, therefore, they had no need for political asylum.

Cuban embassies abroad have never tolerated similar practices; neither is Cuba opposed to having those who wish to do so go through normal routes to Venezuela and Peru, regardless of their criminal backgrounds.

Last Tuesday, 1 April of this year, several of these individuals entered the Peruvian embassy by force, causing the death of a self-sacrificing fellow citizen, member of the Ministry of Interior, who guarded that embassy.

Such events, on the other hand, coincide suspiciously with the intensification of hostility and threats of aggression by the United States against our country.

The Revolutionary Government of Cuba, which has always maintained an honorable attitude toward foreign aggressions and imperialist threats, and at the same time, a careful and respectful attitude toward Latin American countries despite the attitude of treachery, complicity and cowardliness of many of these governments in the past, is unwilling to tolerate violations of its sovereignty and its laws regardless of the price it may have to pay for it. Therefore, it declares categorically that no individual who enters a foreign embassy by force shall receive safe conduct for leaving the country.

As a result of the sad death of a guard of the Peruvian embassy and in view of the tolerant attitude of that government toward such wrongdoers, the Revolutionary Government of Cuba has decided to withdraw the guards from that embassy. Henceforth, the officials of that embassy shall be the only ones responsible for whatever happens in their embassy. We cannot protect embassies which do not cooperate for their own protection.

Cuba is also willing, if any embassy so desires, to withdraw the pertinent guard force.

In the past, treacherous Latin American governments, accomplices of Yankee imperialism, harassed Cuba, blockaded it, wrested its sugar markets from it and committed all types of crimes against our country. With the sole and honorable exception of Mexico, the oligarchic and reactionary governments then existing in this hemisphere joined in that policy. Cuba has no fear in facing a similar situation once more.

Under no circumstances and under no pretext shall we tolerate the violation of our laws and sovereignty. If, under the pretext of diplomatic immunity, an attempt is made to legalize crime, protect common criminals, violate our laws and create a climate of insecurity for foreign representatives in our country, we shall take the pertinent steps, and at any price, to put an end to it. Revolutionary Government of Cuba.

B90E

CSO: 3010

COMMENTARY ON PERUVIAN JOURNALIST'S VIEW OF EMBASSY ISSUE

PA260258 Havana International Service in Spanish 2310 GMT 25 Apr 80 PA

["Our America" commentary]

[Text] Francisco Moncloa is a well-known leftist Peruvian journalist, who has set no price on his conscience or his pen and who speaks with singular bravery, without being influenced, when situations become difficult.

His recent articles in the magazine MARKA, which is edited in Peru, constitute unequivocal proof of his honesty and cause for recognition.

Under the headline "Mistake or Foreign Minister Garcia's Intention?" journalist Moncloa referred amply to the anti-Cuban operation carried out in the Peruvian Embassy in Havana and to what was concealed behind that maneuver.

In this first article for MARKA, Moncloa wrote that in one swift move the Cuban Government had aborted the possibility that an international plot might be carried out against it. And he added: In this manner, it brought to an end the possibility that a well-orchestrated plan involving attacks on embassies might be carried out. This is why the critical situation between Peru and Cuba demands an analysis.

If Peru's interest was to resume the strained relations with Cuba and to promote its isolation within the area, Foreign Minister Garcia has acted with extreme skill and delicacy and has played his role properly.

Further on, he said that it was obvious that Cuba had acted flexibly to maintain good relations. This is proven by its calm in the face of the sinking of two ships in the Callao wharves, the annulment of the fishing contract and the systematic formal and bureaucratic hostility. There is nothing to indicate that this stand had changed when the first attacks on the Peruvian Embassy in Havana took place.

Elsewhere, the Peruvian journalist affirmed: the current crisis cannot be disconnected from the international context of the cold war, in which Cuba is an important element for the United States. Above all, the current crisis cannot be disconnected from the explosive situation in Central America and the Caribbean. There is competition in this area between Venezuela and Cuba to exert their influence.

On the one hand, Venezuela, supported by the Andean Pact, has become a political entity that (?represents) an increasing presence on the political and economic processes of the neighboring zone. Venezuela's Christian Democratic Government, he notes, supports El Salvador. On the other hand, there is the evident attraction that Cuba exerts on the peoples who are in the process of being liberated, particularly those who, both geographically and culturally, feel similar to the people of the island.

Moncloa then asks, what would happen if the Peruvians who, unlike the Cubans, suffer from unemployment, shortages and lack of medical attention and food, could be protected by foreign embassies and taken to work in those countries? Would the Peruvian Government dare allow this possibility and would it open such possibilities? How many citizens would seek to leave Peru?

In another article for the magazine MARKA, entitled "From the Right To Asylum to the Right To Travel," the Peruvian journalist stresses in connection with incidents in the Peruvian Embassy in Havana: It is not the right to political asylum which is at stake. With his clumsy policy in the face of this problem, Foreign Minister Garcia has established in practice a new right, which no other capitalist country (?is willing) to recognize easily.

According to the Peruvian Government's vague thesis, Moncloa states, a group of dismissed or unemployed Peruvians might seize a microbus, drive it to Arequipa Avenue, aim at the Venezuelan Embassy door, crash it, and enter the embassy to the surprise of the guards, who would probably shoot. Once inside, they would request protection from the embassy, which would be forced to give it to them, would make arrangements with the Peruvian authorities to obtain their passports and, without granting them the status of political refugees, would provide them with visas, pay for their tickets, take them to Caracas and provide them with jobs. This and nothing else is what has happened with the Peruvian Embassy in Havana.

Those Cubans, and this foreign minister of ours, Peruvian journalist Francisco Moncloa stresses, have imposed the presence of 1,000 Cubans on Peru. this was neither sought nor desired by anyone, I believe, least of all by our unemployed people.

CUBA ASSAILS U.S. 'AGGRESSIVE, BELLICOSE' POLICY

FL251407 Havana Domestic Service in Spanish 1045 GMT 25 Apr 80 FL

(Revolutionary Armed Forces and Interior Ministry combatants political information program commentary)

(Text) The actions of the current U.S. Administration headed by James Carter can be classified as aggressive, bellicose and foolish. The path undertaken in foreign policy matters by the U.S. Government evidently is leading the world to a situation of danger and war. An absurd eagerness reigns in the White House to lead the world, set back the course of history, prevent the people's struggle and triumph in their battle for freedom and independence and to try to avoid the inevitable march of imperialism toward its total bankruptcy.

Threats, blockades, attempts at intimidation, trampling of international treaties and agreements as well as bilateral ones with other countries, concentration of troops and war equipment at various places and provocative military maneuvers are part of the hysterical arms race and aggressive actions which Carter and his advisors have been promoting in recent times.

Even the U.S. President himself makes statements of a possible use of military force against Iran. It has been charged that the Washington government is planning an intervention in El Salvador. Carter, Vance, Brzezinski and Harold Brown repeatedly have said that they will cover the Persian region with their fleets and aircraft to defend what they call the vital interests of the United States. Now they announce a large-scale maneuver around Cuba in an obvious provocation of our country.

As various political circles have noted for some time now, James Carter and those who advise him have taken U.S. policies to the most reactionary positions to try to impose themselves from positions of force and return to the times of the cold war and gunboats.

The most prominent politicians of our times have asserted that peace—a problem that affects all peoples of the world—is the principal task to

which all efforts must be aimed. It is necessary that there be peace so that the people can create and build safely in the future. It is necessary that there be peace and detente and that the principles of peaceful co-existence be reaffirmed so that man can materialise his noblest aspirations of living in a better world.

However, imperialism, above all, U.S. imperialism, is formulating a strategy contrary to these aspirations and is rashly pushing the world to a dangerous situation of tension and war psychosis.

The recently generated anti-Cuban uproar, provocations and the attempt at intimidation with the announced military maneuvers in the Caribbean are nothing more than part of that reactionary and ridiculous strategy which unavoidably will fail. As all our people unanimously have said, the imperialist haughtiness frightens no one and much less Cuba. With their foolishness, the Yankee rulers are trying to sow fear in Central America and the Caribbean without noticing that the people have learned to adapt to new times and that their historic march for emancipation cannot turn back.

The Yankee imperialists do not understand that in the face of their aggressiveness, the people become increasingly more united; that in the face of the acts of aggression, the people rise up as giants; and that in the face of any aggression, the people are prepared to fight and defend their dignity and rights.

CSO: 3010

U.S. MILITARY MANEUVERS REPUDIATED BY GUANTANAMO AREA RESIDENTS

Havana JUVENTUD REBELDE in Spanish 15 Apr 80 p 1

[Text] Caimanera, Guantanamo--"They do not frighten us because for a long time we have been used to hearing the dog barking, Manuel Prometa Hernandez told JUVENTUD REBELDE referring to next month's maneuvers in the Caribbean and at the Yankee naval base. Prometa, 31, has been living for 29 years here, right under the nose of the Yankees who are unlawfully occupying this territory.

Visible from Prometa's home is the bay which for more than half a century the occupying forces have been unable to subjugate and to one side is the aggressive imperialist base. "We cannot understand," he stressed, "why they do not use such resources to alleviate the situation of U.S. blacks and of part of the population which suffers from hunger and misery. On the contrary, they exploit the resources of the underdeveloped nations and use them for such things.

"The opinion of the people is my opinion and I know that the people condemn such adventurism by the United States and that is what these maneuvers are." This was the statement of a Cuban laborer who has worked at the naval base for 35 years. He added: "It is a routine matter for me. I am used to seeing them every day trying to frighten the Cuban people."

Asked about the imperialist maneuvers, Interior Ministry officer Luis Grenote Cambra held similar views: "As Fidel has said, we are not losing any sleep over their maneuvers nor over their real attacks. As in the case of Grion, it was not a case of maneuvers but an invasion, and look how it turned out, exchanged for baby food."

Mario Lara, a 66-year old retired workers, of necessity had to work for many years at the naval base, leaving when the revolution triumphed. He even worked at Calavera Pona, site of the first brig where Marines were jailed.

At 86 years of age, Benigno Millia has lived in Caimanera for over a half century. He was one of the founders of the Communist Party there and is

still a member. He told JUVENTUD REBELDE: "Let them come with 2,000 or 3,000 or 100,000 men and let them commit all the ridiculous things they want. We will be ready for them. It is still the same dog and it is still the same old bluster with different maneuvers."

Another facility that is very near--some 800 meters--to the usurped territory, is the Jose Maceo bulk sugar shipping terminal at the port of Boqueron. Here, Ramon Vanscroft, who has been working for 12 years in border veterinary services, said: "Write this down--the U.S. Government does not frighten the Cuban people. We are alert and vigilant. They will not catch us off guard and they will not make us nervous."

CSG: 3010

'GRANMA' FRONTPAGES OBITUARY OF SOLDIER KILLED AT EMBASSY

Havana GRANMA in Spanish 4 Apr 80 p 1

[Personal history of Private Pedro Ortiz Cabrera, guard at the Peruvian embassy, killed 1 April]

[Text] He was born 22 February 1935 in the town of Chivirico, former Oriente Province, to a peasant family.

During his childhood he was a member of the Union of Cuban Pioneers, in whose tasks he participated. He also participated in all mass organization activities with his family.

He began to work in 1969, responding to the call of the revolution by picking coffee in his home region.

He was an outstanding permanent canecutter in the 1970 sugar harvest at the Paquito Rosales sugar mill.

In 1971 he joined the Centennial Youth Column and remained in it until 1973. His exemplary behavior won for him the honor of being admitted as a member of the Union of Young Communists, in whose ranks he remained until his death.

Considering his revolutionary record, he was selected in 1973 to become a member of the Ministry of Interior, where he was outstanding in the Unit for Protection of Embassies, which guards the territorial integrity of the diplomatic missions accredited in our country.

He received a commendation from the High Command of the Ministry of Interior for his outstanding participation in the Eleventh World, Youth and Student Festival.

Because of his sense of responsibility, political maturity and full compliance with missions assigned to him, Private Pedro Ortiz Cabrera was assigned the delicate mission of guarding the Peruvian embassy.

Last 1 April, in the afternoon, while Private Pedro Ortiz Cabrera was on duty outside the Peruvian embassy, antisocial individuals violently crashed a bus into the wall of the embassy with the intention of entering the diplomatic site. He was killed in the shooting resulting from the incident. His brave conduct made him worthy of the posthumous promotion to warrant officer.

BYOM

CSO: 3010

REPORTAGE ON FUNERAL OF WRITER ALEJO CARPENTIER

Fidel Castro's Tribute

FL281557 Havana Domestic Service in Spanish 1405 GMT 28 Apr 80

[Text] Cuba's president of the Councils of State and Ministers Commander in Chief Fidel Castro has paid posthumous tribute to the great writer of the Spanish language, Alejo Carpentier, whose corpse is laying in state at the foot of the Jose Marti monument at the Plaza de la Revolution. Together with Fidel, PCC Politburo members Carlos Rafael Rodriguez and Osvaldo Dorticos and Raul Roa, member of the PCC Central Committee and vice president of the National Assembly, stood a guard of honor. PCC Central Committee member Pepin Naranjo and Vice Minister of Culture Antonio Munoz Jimenez also stood a guard of honor beside the coffin holding the remains of the great writer.

Fidel expressed his condolences to Lilia Esteve, Carpentier's wife, whom he warmly embraced. Present in the area were party and state leaders as well as numerous intellectuals and members of the diplomatic corps.

Castro Brothers Lead Services

FL281829 Havana Domestic Service in Spanish 1805 GMT 28 Apr 80

[Excerpts] Commander in Chief Fidel Castro and Army Gen Raul Castro, first and second secretaries, respectively, of the party Central Committee, this morning led the funeral services of Alejo Carpentier, glory of Cuban literature and deputy to the People's Government National. The prominent writer was buried in the Revolutionary Armed Forces pantheon at Colon cemetery in the presence of a large number of representatives of the party, government, cultural institutions and people in general. The funeral procession left the base of the Jose Marti monument on Plaza de la Revolution at 1000 this morning.

Armando Hart Davalos, member of the party Politburo and minister of culture, delivered the eulogy in which he underscored the life and works of the great revolutionary intellectual.

Hart Meets With Personalities

FI291324 Havana Domestic Service in Spanish 1000 GMT 29 Apr 80

[Text] Armando Hart, member of the PCC Politburo and minister of culture, met with the personalities who came to Cuba to pay tribute to the outstanding man of the Cuban, Latin American and universal literature, Alejo Carpentier. On behalf of the Latin American and European intellectuals present at the meeting, (Ruben Barreiro) read a communique in which they express their support for the Cuban revolution and state having learned firsthand about the people's preoccupation over the imperialist military maneuvers in the Caribbean.

Among the topics discussed in the meeting, the participants discussed the need for creating revolutionary mechanisms capable of confronting and combating the campaigns of lies and defamation being conducted by information means controlled by monopolist circles of capitalist superpowers. The document was signed by (Max Paul Fuchs), (Antonio Saura), (Ruben Barreiro), (Arthur Plessa), (Bertrand G. Neto), (Ivette Oliver), (Eugenio Guillelmo), (Manuel Escorsa), (Ivonne Taulandie), (Nicole Ruan), (Rene de Pestres), (Michelle Rais), (Regis Dobrais), (Jose Cornel Urtecho), (Jorge Enrique Aden), (Elizabeth Burgos), (Jacqueline Save) and (Agnes Pignon).

CSO: 3010

JAMAICAN YOUTHS GRADUATE FROM CONSTRUCTION SCHOOL

Pinar del Rio GUERRILLERO in Spanish 6 Feb 80 p 1

[Article by Tomas Gutierrez]

[Text] Ceremony held in Consolacion and presided over by Carol Miranda and Winston Davis, Jamaican ambassador to Cuba.

Carol Miranda Gonzalez, second secretary of the party's provincial committee, and Winston Davis, Jamaican ambassador to Cuba, presided at the graduation ceremony of the third contingent of Jamaican youth who have taken courses in various branches of construction in the municipality of Consolacion del Sur.

Fifty-five students registered for this course, and 53, or 96.3 percent, were approved in the various specialties. Seventeen were trained as masons, 17 in carpentry, 7 in electrical work, 6 in plumbing and 6 as riveters.

Along with their apprenticeship in the construction branches, the young Jamaicans received instruction in the Spanish language.

While in Consolacion, the brigade of Jamaican youth, called the San Sharpe Brigade, constructed an eight-unit apartment building and another was 15 percent completed.

The school authorities emphasized the discipline of the members of the brigade, both within and away from the center.

In addition, cultural, recreational and sports activities were added to the established program.

Also emphasized was the support given at all times by party members, such as the ICAP [Cuban Institute of Friendship with the Peoples], at both provincial and municipal levels.

Anthony Hilton, brigade chief, said in his speech that during their stay in our country they had come to realize the effort being made by the Cuban people, and he added: "Part of our mission has been completed, but the rest is just beginning."

Jamaican Ambassador Winston Davis pointed out that a very important chapter is beginning in the lives of the graduating students, but that even more important chapters are awaiting them in their Jamaican homeland, where the role of the youth in the reconstruction of the country is of great importance.

Students Winston Daley, Charles Edwards and Derryman Viamonte were the most outstanding in the course, and received their respective accrediting diplomas.

In making the final remarks of the ceremony, Carol Miranda Gonzalez pointed out that it was the third graduation ceremony for Jamaican comrades, Jamaica being a country which sheltered many Cuban patriots throughout our wars for independence. "We hope," said Carol, "that what has been learned in the construction field will be applied successfully in your country and that it will be of great benefit to the development plans which are being carried out there. And it must be said," Carol emphasized, "that this program of training and study is a reality thanks to the personal effort of Jamaican Prime Minister Michael Manley, who broke the blockade.

"We are happy and content with the work done by the brigade, and its successful return to its own country represents a modest contribution from Cuba to the needs of Jamaica," Carol concluded.

Also taking part in the ceremony were Cecilio Moreno, chief of the Department of Foreign Technicians; Victor Dube, director of the camp where the young Jamaicans stayed, both members of the provincial committee of the party; Juan de Dios Ortiz, chief of the construction department of the PCC [Cuban Communist Party] in Consolacion, as well as Mary Allen, chief of the Jamaican women's brigade working in Alamar, a delegation of the Havana Jamaican Students Association and members of the provincial delegation of MICONS [Ministry of Construction].

8735

CSO: 3010

CASTRO REPORTEDLY SENDING ARMS, FUNDING CENTRAL AMERICA GUERRILLAS

Mexico City EL SOL DE MEXICO in Spanish 10 Mar 80 p 8-A

[Text] Sao Paulo, 9 March--Cuba has been supplying weapons and financial and political aid to the Central American guerrilla movements, according to a report published today by O ESTADO DE SAO PAULO.

The newspaper published what it claimed was a secret document of the American Central Intelligence Agency (CIA), revealing alleged Cuban involvement in Nicaragua, Guatemala and El Salvador. The document is dated 2 May 1979, 40 days before the final Sandinist offensive in Nicaragua.

According to the document, Cuba delivered to the Sandinist National Liberation Front AK-47 rifles, 50-caliber machine guns and mortars "on at least two occasions, and probably three." The weapons had been transported in Panamanian Air Force planes to Costa Rica, where Sandinist camps were established.

At least 300 Sandinist guerrillas were trained in Cuba, the majority of them after January, 1978, the article added.

The newspaper indicated also that the Cuban government gave financial aid to the FSLN [Sandinist National Liberation Front] through Costa Rican groups and urged Central American communist parties to do likewise.

The alleged CIA report reveals that in March 1978, Cuban President Fidel Castro called a meeting of the three main Sandinist factions, helping them to create an executive committee after 4 days of deliberations in Cuba. Castro also encouraged them to establish links with noncommunist groups opposed to Nicaraguan President Anastasio Somoza and warned them not to emphasize their Marxist opinions.

In Guatemala Cuba limited its assistance to training guerrillas and acting as a political intermediary.

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CSO: 3010

'HAVANA RADIO' NOTES REPRESSIVE CONDITIONS IN EL SALVADOR

PA251357 Havana International Service in Spanish 2310 GMT 24 Apr 80 PA

["Our American" commentary]

[Text] The iron-clad censorship that the military-Christian Democratic regime in El Salvador maintains on the news media keeps the people of the world from knowing exactly what is happening in that Central American country.

For example, an effort is being made to hide the fact that in the past few weeks the Salvadoran revolutionary forces have inflicted great defeats on the repressive tyrannical bodies.

It is true that in their struggle against domestic oppression and imperialist meddling the people of El Salvador pay dearly in blood and sacrifices.

The Salvadoran people turned to armed struggle when the domestic oligarchy and the imperialists closed all the peaceful roads to liberty, democracy and social justice.

In El Salvador, the struggle is not between ultra-leftist and ultra-rightist groups, as Washington and the military-Christian Democratic junta want to make believe. It is the struggle of an entire people against injustice, oppression and the bloody terror that every day takes the lives of the best children of Agustin Parabundo Marti's fatherland.

There is more than one reason for a popular struggle in a country where 2 percent of the farm owners hold more than 60 percent of the arable land, while the great rural majorities do not even have what they need to survive. While in El Salvador the cost of living goes up unchecked, 30 percent of the workers earn an average monthly income of \$5, and 58 of every 100 Salvadorans earn \$10 for the same work-period.

The degree of wretchedness in which the people of El Salvador live can be better appreciated once we know that 84 percent of the people able to work

do not have steady jobs. The education and public health situation in El Salvador is no less alarming. It is conservatively estimated that 60 percent of the rural and 40 percent of the urban population is illiterate.

Health services are practically inaccessible for the majority of the people. According to data from international organizations, in El Salvador there are 3 doctors and 17 hospital beds for every 10,000 persons.

The infant mortality rate is also disturbing. Fifty percent of the children born in El Salvador die before their fifth birthday.

The people of El Salvador have been led to this painful and unbearable situation of misery, hunger, lack of culture and lack of health by the oligarchy that controls political and economic power, and by the exploitation by the U.S. transnationals of the country.

However, the struggle of the Salvadoran people is aimed not only at putting an end to all these ills, but also at ending the climate of terror the country has been enduring since 1932 when a popular movement was crushed leaving a toll of more than 30,000 workers, peasants and students massacred. Since then, murder, torture and prison have been the only answers that the oligarchy and its repressive bodies have given to the just demands of the people.

The popular struggle in El Salvador implies a great sacrifice because the armed bodies of the oligarchy do not stop before cassocks or temples at the time of carrying out the most horrible crimes.

The struggle is hard, especially when considering that over the Salvadoran people hovers the threat of direct U.S. military aggression. The Salvadoran people, however, have reached the conclusion that in this struggle they have nothing to lose but their chains and they could win a future of liberty, progress and genuine national independence.

CSO: 3010

SOVIET MERCHANT FLEET SUPPLIED 30 PERCENT OF DRY CARGO

Havana GRANMA in Spanish 19 Feb 80 p 1

[Article by Barrio Menendez]

[Text] Ships of the Soviet fleet which travel to Cuba transported 50.2 percent of the total dry cargoes reaching or leaving all our ports in 1979.

The maritime bridge established between the USSR and Cuba, the materialization of the principle of proletarian internationalism, carries a great volume of cargo which is increasing annually at a significant percentage rate.

Millions of tons of merchandise destined for the most part for economic development reached the ports of our country in 1979 transported aboard 1,731 ships flying the USSR flag: machine tools, machinery, industrial and agricultural equipment, transportation equipment, complete factories and food, among other products.

On their return, the merchant vessels were loaded with sugar, nickel concentrates, liquors, beverages and citrus fruits, among other products.

The USSR-Cuban maritime routes are navigated by the best and most modern ships such as the "Skulptor Zakaina," a roll-on-roll-off vessel, of advanced technology; supertankers, such as the "Mariscal Budionny," which is a vessel with 100,000 tons deadweight; and the "Comuna de Paris," a general cargo vessel driven by gas turbines.

In 1978, the Soviet merchant fleet had over 1,700 ships, with a total gross capacity of 16.5 million tons. Of the total number of ships now in service, 80 percent were built in the last decade.

In 1960, on the basis of tonnage, the Soviet maritime fleet was in 11th place on the world list. Now, according to the NOVOSTI PRESS AGENCY, it is in sixth place. On the basis of the number of vessels, including fishing boats, it is in second place.

Merchant ships of the sister country transported more than one-sixth of the cargoes generated in the USSR; and, at the end of this year, it is anticipated that there will be a 30 percent increase in cargoes, compared to 1975 figures.

The growth of the fleet, as well as replacement of old ships, is continual and is being carried out through the use of multipurpose merchant ships and specialized vessels of all kinds: bulk carriers (grain ships), roll-on-roll-off ships, supertankers and others.

Soviet ships--which are operating in 1,500 ports of 125 countries--are controlled by an electronic computer center located in Moscow. From there, it is possible to check both the movement and location of every ship.

In 1978, Soviet science and sailors attained one of mankind's dreams: to reach the North Pole in a surface vessel. With this feat by the crew of the atomic icebreaker, "Artika"--the trip was made between Murmansk and the North Pole and took seven days and eight hours--a new era was begun for the maritime economy of the USSR.

Now, thanks to atomic icebreakers, it is possible to navigate practically yearlong, instead of the two or three months previously possible.

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CSO: 3010

CHE GUEVARA INTERNATIONALIST TEACHERS ON LEAVE FROM ANGOLA

Havana GRANMA in Spanish 15 Feb 80 p 2

[Article by Juana Berges]

[Text] Ninety-five young teachers from the second contingent of the Che Guevara International Teachers Detachment arrived in this capital yesterday after completion of their first year of work in the People's Republic of Angola.

This group, which taught classes in Moxico, was the winner of the inter-provincial fraternal emulation competition engaged in by the contingent. When they arrived, they were carrying a beautiful red flag with the likeness of the heroic guerrilla, which was their award for victory.

Jose R. Fernandez, member of the Central Committee and minister of education, welcomed them at the Jose Marti International Airport in Rancho Boyeros, and asked them many questions about the work they are doing for the educational development of the sister African nation.

A total of 480 young people from the second internationalist contingent will eventually arrive in the country to spend their vacations in Cuba, after completing one year of work. After their vacations, they will return to continue their task which is of profound meaning for solidarity.

We Will Return To Continue This Battle

Rebeca Betancourt, from Havana, and Julio Perez, from Ciego de Avila, are members of the group of young people who stepped forward to modestly and simply contribute to the educational advancement of Angola.

Both agreed that they had had a great experience, that practice had been a good school and that they are satisfied with the teaching results obtained.

For them, language was not an insurmountable obstacle; and the shortage which developed in material resources was also overcome with effort and optimism.

"We are proud of the work we are doing. Next month, we will return to Angola to continue this great battle."

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CSO: 3010

GEPLACEA'S ESTREMADOYRO SEES SUGAR PRODUCTION SHORTFALL

Havana JUVENTUD REBELDE in Spanish 10 Mar 80 p 6

[Article by Marcos Alfonso]

[Text] For the first time in recent years, world sugar production will be lower than consumption by approximately 4 million tons, according to a statement made by Enrique Estremadoyro, executive secretary of the Group of Latin American and Caribbean Sugar-Exporting Countries (GEPLACEA), during an interview with JUVENTUD REBELDE.

Estremadoyro, who is on a short visit to Cuba, explained that the purpose of his trip was in connection with the 12th meeting of the GEPLACEA which will be held from 28 April to 2 May in Rio de Janeiro, Brazil, to examine the experiments of that country regarding the use of alcohol--a byproduct of sugarcane--as a fuel.

In Brazil, analysis will be made of the possibility of transferring this technology to the other sugarcane-producing countries, particularly to those which do not have hydrocarbons.

The interview also revealed that next Friday the International Sugar Council will meet in London for the renegotiation of the basic export tonnages (TBE) and there will be discussion of the pegged price which now is in the neighborhood of 21 cents.

According to the GEPLACEA executive secretary, the International Sugar Agreement which become effective this year, provides for periodic adjustment of prices so that the pegged price reflects real prices (it fluctuates with the rise and fall of the dollar).

With respect to the International Sugar Agreement, he said that the GEPLACEA, after 2 years of disciplined participation in the marketplace, was pleased to note the implementation of this mechanism with the entry of the United States which, although it signed the document in 1977, had not ratified and implemented it until this year.

He explained that the European Economic Community (EEC) was not a party to the agreement and that traditional importers had become exporters, which had a negative impact on market prices.

The problem of the EEC, Estremadoyro said, by not being subject to discipline through the agreement, creates an undesirable situation for the sugar world and is harmful to member countries of the GEPLACEA, which are coordinating their actions for a better share of the markets.

Present Market Situation

The present market situation has permitted the surpassing of the minimum price: when the price went above 15 cents, quotas were freed; when the price went above 19-21 cents, that meant release of stockpiles. At present, prices are in excess of the pegged price. The International Sugar Organization (ISO) price is 23 cents at present.

He noted that the price rise was in response to a decrease in the production level of some large sugar countries such as Cuba, Brazil, Thailand and India, as well as because of problems presented by the harvest of sugar beets in the USSR.

Added to this is the fact that consumption is maintaining an increasing growth curve, particularly in the Arab countries.

According to Estremadoyro, current prices are favorable for the group, as the price received over the last few years was not high enough to cover the costs of production.

The prospects for stabilization of prices at current levels, which are difficult to predict, were analyzed by the executive secretary of the GEPLACEA as positive enough to hold firm in 1980, although for future years this will depend upon the situation of the producers: changes in the plantations or internal policies of the various member states.

Referring to the work of the group, Estremadoyro explained that, as a specialized organization in the Caribbean, Latin America and the Philippines, it deals with matters relating to the International Sugar Agreement, market development and technological exchanges as regards the growing of sugarcane, manufacture of sugars and derivatives of sugarcane.

The GEPLACEA also coordinates the positions of member countries with respect to the cooperation offered to the group by the UN Development Program (UNDP).

He announced that at the end of the year an international seminar will be held in Cuba on the best utilization of energy in sugar mills. In addition to the GEPLACEA, it will also be sponsored by the OLADE [Latin American Energy Organization], UNIDO [United Nations Development Organization] and the government of our country.

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CSO: 3010

HAVANA SEES WORLD SUGAR MARKET AFFECTED BY PEPSI-COLA MOVE

Havana GRANMA in Spanish 8 Mar 80 p 7

[Article by E. L. Velazquez]

[Text] During the week of 3-7 March, the daily price of unrefined sugar at the London terminal experienced a gain of 27 points compared to last Friday, closing at 21.46 cents per pound FOB Cuba. The price of refined sugar in Paris closed with losses of 46 points, to 26.12 cents per pound FOB Europe.

Prices experienced an initial rise on Monday, reflecting renewed market concern over sugar supplies for the remainder of the year.

Later, two reports caused price readjustments:

--The announcement by Pepsi-Cola of the use of up to 50 percent of corn syrup as a sweetener for its cola syrup concentrates for industrial and soda fountain use.

--The first estimate of the F.O. Licht Co on plans for the planting of sugar beets in Europe, which indicates an increase of over 200,000 hectares, compared to the area planted last year.

Despite these two reports and the strengthening of the U.S. dollar at the end of the week, which acted as a general depressant on basic products markets, prices remained above last week's levels.

The following chart reflects the daily price movements (in U.S. cents per pound):

	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>
London (unrefined sugar) FOB Cuba	23.88	23.26	22.70	23.25	21.46
New York (unrefined sugar) FOB Cuba	25.36	24.36	24.03	23.24	- -
Paris (refined sugar) FOB Cuba [sic]	29.39	28.22	28.12	28.13	26.12

WORLD SUGAR MARKET PRICE DROP NOTED

Havana GRAMMA in Spanish 13 Mar 80 p 6

[Article by E. L. Velazquez]

[Text] During the week of 10-14 March, the daily price of unrefined sugar at the London terminal ranged lower than those of last week, closing at 17.82 cents per pound FOBSS Cuba bulk. The price of refined sugar in Paris fluctuated in range from 25 cents as the maximum and 21 cents as the minimum, closing at 21.33 cents per pound FOBSS Europe.

The week was characterized by a downward movement caused basically by a general drop in prices on the gold and precious metals markets which affected the basic products exchanges.

Speculations on the possible drastic measures to be taken by the United States to counteract inflation, the increases registered in the interest rates of loans in the United States and rumor, with subsequent denials, about increases in the margin deposits on the New York Stock Exchange which caused heavy sell offs.

This notwithstanding, there were transient fluctuations upward, buoyed by rumors of possible purchases from various countries.

According to sources at the Ministry of Food of India, this country is considering the import of sugar in exchange for rice to settle temporary difficulties. Also, the Minister of State for Agriculture said that India has to date exported 60,000 tons in 1980 and will restrict additional exports to 140,000 tons. This means total exports during 1980 of 200,000 tons.

Peru will have to import a total of 50,000 tons of sugar this year, according to statements by the Minister of Agriculture, who added that 21,000 tons have already been purchased to meet domestic consumer demand (because of a shortfall) caused by the drought which has affected the agriculture of that country for the last 3 years. This is the first time Peru, a traditional exporter, will have to import sugar.

The following chart reflects daily price movements (in U.S. cents per pound):

	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>
London (refined)					
FOB Cuba	21.41	18.76	20.35	19.41	17.82
New York (unrefined)					
FOB Cuba	19.44	20.29	19.81	18.48	18.81
Paris (refined)					
FOB Europe	25.84	22.51	24.49	22.32	21.33

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BRIEFS

ALMEIDA, DA COSTA MEET--Manuel Pinto Da Costa, president of the Democratic Republic of Sao Tome and Principe, yesterday received Juan Almeida Bosque, vice president of the Council of State and member of the PCC Central Committee Politburo. Almeida delivered to Pinto Da Costa a personal letter from President Fidel Castro during a round of talks which was held in an atmosphere of friendship and camaraderie at the presidential palace. [FL291329 Havana Domestic Service in Spanish 1000 GMT 29 Apr 80]

SAO TOME AND PRINCIPE COOPERATION--In Havana Cuban Foreign Trade Minister Ricardo Cabrizas and Sao Tome and Principe's Industry, Commerce and Fisheries Minister (Carlos Meneses Braganca) yesterday signed a document on cooperation between their two countries. The document includes the results of the talks conducted by the delegation of that fraternal African country with various agencies of the Cuban state in the spheres of fisheries, housing construction and foreign trade. During the ceremony the two ministers expressed satisfaction over the results of the visit and noted the close international relations uniting the two governments and peoples. [Text] [FL011121 Havana Domestic Service in Spanish 1000 GMT 1 May 80]

GUATEMALAN DELEGATION IN HOLGUIN--A delegation of the Democratic Front Against Repression in Guatemala today continued its friendly visit to the city of Holguin with a tour of several places of interest and socioeconomic centers. The visiting group first stopped at the Guatemala sugar mill and later at the Gen Calixto Garcia baseball stadium. This afternoon the delegation will visit the Jose Marti vocational school and a tourist complex outside the city of Holguin. During the first day in Holguin the visitors toured the 60th October Revolution Anniversary cane harvester factory and held talks with members of a local committee for the defense of the revolution. [Text] [FL252107 Havana Domestic Service in Spanish 2006 GMT 25 Apr 80]

TRADE MINISTER IN MEXICO--Manuel Estefania Seoane, Cuban vice minister of foreign trade, has declared in Mexico City that the existing excellent relations between Cuba and Mexico allow prediction of a real economic integration. The official who heads a Cuban delegation has gone to the Mexican capital to examine the status of commercial relations following agreements signed

between the two governments. After a meeting with the director general of the Mexican Foreign Trade Institute, (Raul Salinas Lozano), the Cuban vice minister emphasized that broad prospects exist for notable growth in Cuban-Mexican trade in coming years. He explained that Mexico exports goods of great interest for Cuban economy such as fertilisers, food, chemicals and pharmaceutical products. [Text] [FL251224 Havana Domestic Service in Spanish 1100 GMT 25 Apr 80]

MALIAN COOPERATION TALKS--The first Cuban-Malian intergovernmental meeting today opened at the Sierra Maestra Hotel chaired by Seydou Traore, ambassador of the Republic of Mali to the United Nations, and Manuel Torres, vice president of the Cuban State Committee for Economic Cooperation. Cooperation in the fields of public health, agriculture, sports, culture, education and food industry will be discussed at the meeting. Directors and specialists of these sectors are participating in the meeting. Cooperation between the Republic of Mali and our country began in 1966 and has been characterized by the spirit of brotherhood which unites the two peoples. During its stay in Cuba, the Malian delegation will visit many ministries, the livestock breeding complex east of Havana, the Higher Institute of Art in Cubanacan and sports schools. [Text] [FL251755 Havana Domestic Television Service in Spanish 1700 GMT 25 Apr 80] At the conclusion of the first Cuba-Mali intergovernmental meeting, a protocol of cooperation in the fields of public health, agriculture, sports, culture and education was signed. The document was signed by Manuel Torres, vice minister of the Cuban State Committee for Economic Cooperation, and Seydou Traore, Malian permanent representative to the United Nations. Torres stressed that the agreements reached are based on the spirit and friendship and internationalist solidarity in which our people have been educated under the leadership of the PCC and Commander in Chief Fidel Castro. [Text] [FL011651 Havana Domestic Service in Spanish 1600 GMT 1 May 80]

NAMIBIAN DELEGATION DEPARTS--The UN Namibian Affairs Council delegation headed by Noel Sinclair, Guyana's permanent representative to the United Nations, has departed our country after a stay in our country which lasted several days. While in Cuba the delegation observed a broad program of activities. In Havana the members of the council exchanged views on Namibia's situation and on that country's struggle for national liberation under the leadership of the South-West African People's Organization. The Cuban Government expressed to the delegation its support for the just cause of that country, which is being illegally occupied by South Africa. This UN organ for Namibian affairs was established by the General Assembly in 1967 to contribute to that country's independence and to represent it before the United Nations. With this visit to Cuba, several of its members began the first part of a tour of the Caribbean. [Text] [FL011711 Havana Domestic Service in Spanish 1600 GMT 1 May 80]

SWAPO FOUNDED ANNIVERSARY MARKED--The national main commemoration of the 20th founding anniversary of the South-West African People's Organization--SWAPO--has been held at the (Henryck Whitboyd) school in the countryside

for Namibian students in the Isle of Youth. Antonio Diaz, chief of the Internal Education Department of the party Central Committee, referred to the long Namibian people's struggle for their total independence and against their country's occupation by the South African racists. He said the Isle of Youth, with thousands of African and Latin American youths lodged there, is an example of Cuba's solidarity with the oppressed people despite the pressures and campaigns which the North American imperialists are intensifying lately. For his part, Helmuth Angula, SWAPO representative in Cuba, explained the integration and development of the Namibian people. He stressed that (Henryk Witbooi) was a pioneer of the armed struggle in that country when he led a popular uprising in 1903. [Text] [FL251441 Havana Domestic Service in Spanish 1400 GMT 25 Apr 80]

POSITION ON KAMPUCHEAN REFUGEES--Cuba has reiterated its position on the inclusion of a point in the agenda of the economic and social council meeting on an alleged aid to Kampuchean refugees. Cuban delegate Hector (Falla), in a speech at the meeting, denounced the international reactionary forces' pretensions of using the aid to the Khmer people for political ends and impeding the good intentions of contributing to the reconstruction of Democratic Kampuchea. [Text] [FL011043 Havana Domestic Service in Spanish 1000 GMT 1 May 80]

AALAPSO DENOUNCED U.S. MANEUVERS--The threatening and interventionist U.S. maneuvers in the Caribbean have been denounced here by Melba Hernandez, secretary general of the Afro-Asia-Latin American People's Solidarity Organization (AALAPSO). Fulfilling a resolution of the AALAPSO Secretariat, the Moncada combatant called a press conference in which she alerted the peoples of the world about this threat. She also called for broad solidarity. She said that imperialism, frightened by the victories of Nicaragua and Grenada and in the face of the growing struggle of the revolutionary forces of El Salvador and Guatemala, announced the maneuver to try to halt these advances. It is a much more dangerous action than those carried out by imperialism on previous occasions, she said, ruling out Giron from this assertion because it was a military aggression against Cuba with mercenaries trained by the CIA. [Text] [FL292234 Havana Domestic Service in Spanish 2130 GMT 29 Apr 80]

FERNANDEZ ADDRESSES TEACHERS MEETING--Jose Ramon Fernandez, member of the PCC Central Committee, vice president of the Council of Ministers and minister of education, had made the closing remarks at the second national teachers meeting, which held working sessions during the past 2 days at the Manuel Ascunce Domenech theater in Ciudad Libertad. During the closing session certificates of recognition were presented to all participants in the event, to four founding members of the educational training institute and to three comrades who have worked uninterruptedly in the institute during the past 20 years. The education minister noted that the institute attributes great importance to the event which, he said, contributes to raise the educational and technological level of teachers, nourishes the teaching sector with rich experiences and represents the highest demonstration of dedication in the field. Elsewhere in his speech, Fernandez noted

that in today's Plaza de la Revolucion May Day rally, the Cuban people and, among them, the teachers, will honorably respond to imperialism. [Text] [FL01163] Havana Domestic Service in Spanish 1600 GMT 1 May 80]

NEW SUGAR MILL--The new 30 November sugar mill of San Cristobal, Pinal del Rio Province, began grinding operations yesterday at 2025 hours following an intense period of tests. Its workers are the first in the country to work at a mill built by the revolution. The mill is equipped with the most sophisticated technology which makes it possible to produce 600,000 daily arrobas with a roster of some 600 workers. [Text] [FL29121] Havana Domestic Service in Spanish 1000 GMT 29 Apr 80]

MILIAN CHAIRS HARVEST MEETING--Arnaldo Milian Castro, member of the PCC Politburo and minister of agriculture, has chaired the first national emulation assessment meeting of the coffee and cacao crops, which was held in the municipality of Sagua de Tanamo in Holguin Province. It was announced in the meeting that Holguin Province had won first place among the eastern provinces, while Sagua de Tanamo had also won the first place among the country's coffee enterprises. [Excerpt] [FL252335 Havana Domestic Service in Spanish 2300 GMT 25 Apr 80]

GEPLACEA SUGAR PRODUCTION FINDINGS--The world sugar production for the period 1979-1980 shows a deficit of 6.23 million tons with respect to consumption. The estimate was arrived at by the market committee of the 12th meeting of the group of Latin American and Caribbean Sugar exporting countries [GEPLACEA] being held in Rio de Janeiro, Brazil. [Text] [FL011102 Havana Domestic Service in Spanish 1000 GMT 1 May 80]

'OCLAE' CONTENTS--A group of interesting articles concerning CIA activities on several continents is the basic theme of the latest issue of OCLAE. Beginning with the origins and first manifestations of the official use of espionage in the United States, it goes on to focus on the "work" of the CIA, not only for foreign policy purposes, but as a medium for controlling progressive forces within the country. The interventionist resources and formulas, as well as direct interference in other nations, crimes and attacks against political and government personalities and even the use of the broadcast media to form opinions or to misinform are the topics treated in the articles in this issue of OCLAE. [Text] [Havana JUVENTUD REBELDE in Spanish 15 Feb 80 p 4] [Article by SE] 8735

GRENADIAN PREMIER'S DELEGATION--Monday evening Commander in Chief Fidel Castro received a delegation headed by Maurice Bishop, prime minister of Grenada, who is in our country on a working visit as part of his tour of several Latin American countries. The Grenadian delegation also includes George Luisson, a member of the Politburo of the New Jewel Movement and minister of education; Peggy Neffield, protocol official; Christ Stroud, assistant to the prime minister, and Low Smith of Radio Free Grenada. Cubans taking part in the meeting were Manuel Pineiro Losada, member of the Central Committee and chief of its America Department; Osvaldo Cardenas and Otto Marrero, section chief and official, respectively, of that department. Also present was Richard Jacob, Grenadian ambassador to Cuba. [Excerpt] [Havana GRANMA in Spanish 27 Feb 80 p 1] 8735

ECONOMIC COOPERATION WITH UGANDA--A Cuban delegation headed by Raul Donas, vice president of the State Committee for Economic Cooperation (CECE), was received in Kampala by Edwar Rugumayo, president of the National Consultative Council. In their mission of cooperation the delegation met also with the ministers of public health, agriculture and the fishing industry and with several vice ministers. The delegation was accompanied by Ruben V. Franco, Cuban charge d'affaires in Uganda. [Text] [Havana GRANMA in Spanish 13 Mar 80 p 5] 8735

MARCELINO DOS SANTOS' DEPARTURE--Comrade Marcelino Dos Santos, a member of the Politburo of the FRELIMO (Mozambique Liberation Front) and planning minister of the People's Republic of Mozambique, left for his homeland yesterday afternoon. During his stay in Cuba the Mozambican leader visited several places of historical, economic and social interest and, within the close fraternal relations which exist between the parties and governments of Cuba and Mozambique, met with comrades Carlos Rafael Rodriguez, Sergio del Valle and Armando Hart, members of the Politburo of our party, and with Jesus Montane, Isidoro Malmierca, Jose R. Fernandez and Nicolas Guillen, members of the Central Committee, and other party and state leaders. Comrades Armando Hart and Jesus Montane accompanied him to the Jose Marti International Airport on his departure. [Text] [Havana GRANMA in Spanish 25 Feb 80 p 1] 8735

CSO: 3010

EL SALVADOR

SALVADORAN JUNTA MEMBER DUARTE ON ROMERO ASSASSINATION

PA281628 Paris AFP in Spanish 0327 GMT 28 Apr 80

[Text] Caracas, 27 Apr (AFP)--Jose Napoleon Duarte, a Christian Socialist and member of the government junta of the convulsed Central American country, said here tonight that the assassin of Mgr Arnulfo Romero, archbishop of El Salvador, was not Salvadoran, but an elite marksman who came to do the job from abroad.

Duarte said the investigations of the government show that the assassin was a cold-blooded, expert marksman. "It is believed that no person filling this description exists in El Salvador, for which reason, somebody must have come from abroad to do the job." Duarte reported that on the basis of this conclusion, the Salvadoran authorities are investigating the persons who entered or departed from the nation on those dates.

Napoleon Duarte arrived in Caracas last night and 28 April will sign a document for an 85-million bolivar loan that Venezuela will grant to El Salvador for the construction of a dam.

Duarte said his country is preparing "to sow crops" and that in the face of this "the guerrillas are trying to discourage the activity and have gone to the fields to carry out action to generate panic so the people will now sow."

In contrast to this, he said, "The nation is witnessing how control is being established by the government, with all of its authority, and we expect to emerge from this situation well and that sowing will begin and we enter into a period of deceleration of violence."

He blamed the right and the extreme left for the violence, saying that the former seeks to perpetrate action against public officials and has killed mayors and aldermen and members of the Christian Democratic Party.

On the other hand, he said, the action of the extreme left "is under control, for which reason social and economic reforms are progressing."

Duarte is president of the Christian Socialist Organization of America and in 1973 took asylum in the Venezuelan Embassy in El Salvador and then remained in that country for almost 7 years.

Duarte will hold meetings with fellow Christian Socialists of Venezuela during his visit to Caracas, among them President Luis Herrera Campins.

CSO: 3010

INTERNATIONAL CRITICISM OF NATION SCORED

Guatemala City EL IMPARCIAL in Spanish 15 Mar 80 p 2

[Editorial by Mario Ribas Montes]

[Text] One of the most lamentable aspects of the campaign against Guatemala that has been launched abroad is the hypocrisy, the dishonesty, the concealment of certain facts in order to stress just the negative characteristics of our country. Our critics seem to think that our economy and politics provide fertile territory for such adverse impressions. Recently, this smear campaign has spread to the other countries of Central America, with the exception of Costa Rica and Panama. The governments of those two nations have played a suspicious role in the political changes that have taken place in recent months.

A while ago we read in VISION (a magazine which caters to many vested interests, and is published in Spanish in the United States) a biased article on Central America in which author Winthrop P. Carty asserts that this region is the most backward of the Western Hemisphere and has not kept pace with the development of other American countries in the past few years.

The very title of the article illustrates its bias and exaggeration: "Fracaso de Centro America" [Central American Failure]. It states: "The majority of Latin American nations, according to international planners, have implemented successful programs for national and regional development. But there is a sense of utter defeat with regard to Central America, where regional integration seems to have been completely abandoned. Local markets and resources are limited; demographic growth rates are high; the oil bill is an unbearable burden; and the majority of governments are among the most backward in all of Latin America."

This Mr. Winthrop is obviously a bit behind the times, because according to the smear campaign whose bandwagon he has joined, the "most backward governments of Latin America" were those of Somoza in Nicaragua, Romero in El Salvador and probably that of Guatemala. But the first two have now been overthrown, and now both countries have "more progressive" governments.

In the Caribbean there are many countries that are much more backward than the worst parts of Central America. If Mr Winthrop would take the trouble to read the statistics, he would see that until recently Guatemala was one of the fastest developing nations in Latin America, especially in terms of construction, tourism and agro-industrial production. It was not until the campaign against Guatemala was begun that the economic downturn came about, leading to the layoff of more than 75,000 construction workers and the shut-down of many major businesses. Another consequence of the bad publicity we have gotten is that exporters have cut off credit to Guatemala, while investment in our country has also slacked off considerably. Nonetheless, despite this reprehensible economic aggression, our nation continues to progress, confident that our detractors will soon become tired of this menacing effort to seek out our defects and weaknesses.

The "failure" to which Mr Winthrop referred has nothing to do with a shortage of resources or a stagnation of economic development for reasons attributable to this region's inhabitants. It is due to the political complications that were promoted from abroad, first in Nicaragua and later in El Salvador, resulting in nearly a year of civil war in the area. This strife has interrupted communications, production and trade. Any other region in similar straits would be asking for massive aid from abroad; on the contrary, we find that we have been denied conventional assistance on the pretext of our political deficiencies.

The VISION article has, of course, an objective: to convince international public opinion that the intervention instigated by American and overseas socialist governments was justified; to promote subversion and even criminal activities for subversive purposes, in this part of the world. Why, we wonder, did Mr Winthrop not mention Haiti, for example, or Jamaica or Grenada, the Guianas, or any one of the many small Caribbean communities that are devastated by poverty? What about the Indians who live in vast regions of South America in truly savage conditions, as opposed to our Indians, who live near paved roads and enjoy modern public services?

No doubt we have a long way to go in order to emerge from our underdeveloped condition, and especially to improve our people's living conditions, but we are far from being the most backward part of the Western Hemisphere, as Mr Winthrop alleges.

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CSO: 3010

PAPER SAYS USSR 'AT WAR' WITH COUNTRY

Guatemala City PRENSA LIBRE in Spanish 22 Mar 80 p 10

[Commentary by Antonio Najera Saravia]

[Text] Everyone was still talking about our horror at the aftermath of the "peaceful" assault on the Spanish Embassy, when other communists "took" the Dominican Republic Embassy in Bogota in a not-so-peaceful way. We were relatively lucky here in Guatemala, with only seven hostages taken. In Colombia they "captured" more than 40, including more than 15 ambassadors. Our ambassador, poet Aquiles Pinto Flores, and U.S. Ambassador Diego Asencio have had to perform domestic chores because the extremists have everything "very well organized...."

The embassy take-over by the secret agents of Russian imperialism, disguised as "guerrillas," even "humble peasants," is becoming a routine affair, particularly in the Americas. This political "phenomenon" has given rise to lengthy dissertations on the "extra-territoriality and immunity" of diplomats, but the truth is that no one has approached the issue objectively. This new facet of international terrorism is nothing more than a new episode in the total war that socio-imperialism has declared on the rest of the world, the countries that have so far resisted its conquest.

A philosopher of days gone by who has since become somewhat "passe," Oswald Spengler, wrote a book that caused an uproar at the turn of the century, "The Decline of the West." Later, Adolph Hitler flouted what could be called "the norms of peaceful coexistence," that series of written and unwritten laws that make modern life possible amid the overwhelming pressure of people who are just as passionate as they were at the dawn of mankind. The "decadence" consists of the maintenance of certain principles that the barbarian Nazis (just like the communists now) threw out the window when they decided that "there is an end that is so tremendously good that it justifies the use of any and all means."

Of course, anyone would be at a disadvantage if he entered a boxing ring, for example, armed only with his fists, while his opponent, obsessed with victory, came into the ring with a hammer hidden in his shorts. The immorality

begins when the first one begins to follow the rules, because if he were also a cheater, the hammer would do no good. In order to win, the dishonest boxer must overwhelm his opponent with assurances that he will box according to the "rules of the game."

Well, the war the Russians are waging against us has all these qualities; bombastic assertions upon signing all kinds of treaties; communist discretion bordering on deceitful concealment; and a constant, blatant attempt to checkmate, even if that means moving any old pawn as if it were a queen, and if the opponent complains, drawing a gun and riddling his body with bullets. This kind of move is seen daily in the grim headlines of the world press.

What really puzzles us is that no one takes note of this. Any legal code recognizes the right to self-defense. However, the West, deluded by leftist thought and influenced by appeals to its good faith, does not want to acknowledge that it is facing a deadly enemy. Deadly because it wants to do away with us totally without scruples or limits. Millions of deaths in Cambodia and hundreds of thousands of people sent out to sea to drown (as in Vietnam) illustrate the kind of people we are dealing with. The "rules of peaceful coexistence" mean nothing to them, because they are not interested in living with the rest of the world; they intend to subjugate it to the dictates of their exploitative empire.

That is why terrorism is so successful, whether it be skyjackings, embassy occupations or ruthless, senseless murders. If we do not recognize the nature of the forces that oppose us, then we are truly living in the decadence of the West. If no vigorous action is taken to confront terrorism, as the Afghans are doing in their heroic struggle against the Russian occupation army, then we deserve to be the slaves of tomorrow. Those who are simply pig-headed will be shot by firing squad; those who follow them will be sent to the Gulag Archipelagos (which are not confined to Russia; they have proliferated in parts of Asia, in Africa and even in the Americas); those who are left will become slaves.

The ones who are most mistaken about Russia, despite repeated warnings by Solzhenitsyn, are the Americans (to the sorrow of the Western world!). In an in-depth article published in TIME on 17 March, there is a ridiculous comment: We can't do anything, because to punish them in the same manner would violate our principles!

At the same time, they recognize that the Russians don't give a fig, because they are willing to mercilessly destroy half a city, whatever city, to punish those who dare oppose them; they would even kill their own people. In other words, what happened in Tehran would never happen to the Russians, because an atomic bomb would annihilate the city, along with all its residents and hostages.

Of course the Russians are aware of all this, and even though they have a policy of secrecy and absolute silence, there are plans afoot in the Soviet embassies of our countries to coordinate all the events that will make free

nations fall easily into their hands, with the help of those they want to destroy (such as Nicaragua). These facts are plain to see in world-wide news coverage, but still no one wants to accept the reality of contemporary politics!

Terrorism (unfortunately) is being combatted only with the force of law. Just as in any war, casualties must be accepted. The communist massacre at our embassy has had a beneficial effect, even though it cost the lives of brave Guatemalans and Spaniards. Come what may, the terrorists know that their lives are on the line in this type of adventure. How many innocent Americans will have to die before Carter and his team of leftists understand that the war with Russia is a war without quarter, and that they are at a disadvantage if they continue the status quo?

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CSO: 3010

GUATEMALA

CUBA'S 'BOHEMIA' INTERVIEWS FAR, EGP, ORPA

Havana BOHEMIA in Spanish 21 Mar 80 pp 64-69

[Text] By Way of Introduction

In recent months, popular resistance against the fascist regime of Gen Romeo Lucas Garcia of Guatemala has extended throughout the country with renewed vigor and extraordinary fighting power. Just reading some of the PRENSA LATINA wire dispatches sent from abroad and those of some international news agencies which have not joined in the conspiracy of silence ordered by imperialism, is enough to give an idea of the degree of development reached by the struggle of the Guatemalan people against their oppressors.

There are already many demonstrations of protest taking place in the streets by peasants, workers and students, who make important demands concerning living conditions and for a halt to repression, which is every day more brutal and has its macabre sequela of murders. At the same time as this uprising by the masses, a similar importance is attained by the presence of guerrilla organizations for whom armed struggle together with the popular movements is the only way possible for arriving at power and the installation of a popular revolutionary government. These organizations of political-military nature are making news with surprising frequency in the most important areas of the country, carrying out a guerrilla activity whose actions have been so numerous that to list them would go far beyond the narrow limits of this introduction. It is true that the most bestial repression has been unleashed against every revolutionary demonstration by the regime as if, in keeping with the spirit of the ruling classes and the military forces which serve as its mainstay, together with the powerful interests of the multinational companies, it were acting under the watchword of a single strategy of exterminating the Guatemalan people. However, guerrilla activities and the mass movements respond to official violence with revolutionary violence, with more and more organization and combativity and with firmer steps in the indispensable task of attaining unity in the struggle until the victory of the people is obtained. To provide information on the main guerrilla organizations--origins, development and operations--we present here a group of three interviews, which friendly correspondents sent to BOHEMIA exclusively from various parts of

Guatemala. These were interviews with their respective chiefs and it is not redundant to say that they were made under dangerous circumstances—whether in urban zones or the mountain reaches—because of the terror unleashed by the repressive machinery of the regime. Before the reader, therefore, will parade, in the order of their foundation, the opinions of the Rebel Armed Forces (FAR), The Guerrilla Army of the Poor (EGP) and the Organization of the People in Arms (ORPA. Their commanders in chief requested that their respective names be kept secret for elementary security reasons as well as for complying with the exigencies of clandestine work. (M.G.C.).

The Rebel Armed Forces (FAR)

Origins

"In the first place, we shall say that the FAR emerged as a front of unity of forces, as a united expression of the revolutionary forces of the beginning of the decade of the 60's. At that time there existed the 30 November Movement, the 20 October Movement and the 12 April Movement. When these movements united, they adopted the name of Rebel Armed Forces. The 20 October Movement, for example, was a movement organized by the Guatemalan Labor Party (communist); the 12 April Movement was a student movement consisting of university students, many of them members of the Patriotic Labor Youth, which meant Communist Youth; and the 13 November Movement was a movement consisting of military personnel who rose against the government of Ydigoras Fuentes and organized the guerrilla in the northeastern zone of the country, particularly in the Departments of Zacapa and Izabal. Turcios Lima, first, and then Yon Sosa were the founders of the FAR. This is what we could describe as the first phase, which culminated with the breakup of the 13 November Movement when it was infiltrated by a strong rightist faction. In the second phase, the unification of the forces of the party was proposed, no longer as the 20 October Movement but as the Communist Party, that is, the integration as a party into the process of armed struggle on the basis of the idea of the Edgar Ibarra Guerrilla. The central idea has always been the same: unity around armed struggle.

"During the first phase, there was no clear idea of a war strategy. The mass organizations and the unions did not know what objectives should be attained. At that time the existence of the victory of the Cuban revolution had a great impact on the Guatemalan revolutionary movement but it was perhaps applied in a very mechanical manner. The Cuban revolutionary process was not well interpreted. We can establish the second phase as being between 1964 and the end of 1967. It was then that a political-military command was formed and called the FAR Center for Revolutionary Leadership. This phase culminated with the defeat of the Edgar Ibarra Guerrilla Front and the political defeat of the revolutionary movement on a national level when the movement supported the election of Julio

Cesar Mendez Montenegro, who subjected himself to imperialism. In the third phase, after the break with the Guatemalan Labor Party, we soldiers of the FAR, who remained, withdrew to the northern part of the country. What we could call the matrix column went into the Indian zones in the northwest because it thought that they were the most exploited, the most oppressed, the most backward—more than 70 percent of the Guatemalan population is Indian—and because they are a population which in a natural way contains the qualities and conditions for carrying out a guerrilla struggle in their own territory with a real chance, something which could not take place in other areas, for example among the mestizo population. In Guatemala we call mestizo population those with European ancestry. The Indian is discriminated against. I believe that discrimination is not so much class discrimination as it is racial. As a result of a series of adventures in which the enemy lost no time in trying to annihilate us, we came to rest in Peten, an enormous unpopulated territory of 36,000 square kilometers, which for many years served us as a refuge and allowed the guerrilla to reorganize on more solid foundations.

Development

"We were already convinced that an armed movement in Guatemala could not be successful if it did not have the support of the masses, and it was in this direction that we went to work. From 1971, year in which I assumed the highest leadership post of the FAR, we entered a new phase and began to work in the labor movement, which at that time was controlled by the Christian Democrats. There was a government-oriented central union organization. We approached and entered the student and worker organizations. We told their members that revolution in Guatemala meant primarily the resolution of the problem of land for the peasants and that the working class had to assume the vanguard role. In short, we promoted their demands of political, economic and social nature. Many of their leaders abandoned the Christian Democrat ranks and today are cadres of our organization who accept insurrectional struggle."

The guerrilla chief speaks of the brutal repression the country is suffering and how the people rush into the streets unafraid, offering a stubborn resistance:

"Now," he says, "when the repressive situation is worse, public demonstrations never have fewer than 20,000 persons. The last demonstration on May Day numbered more than 50,000...An extreme repression has existed—and still exists—for 27 years. It was precisely because of one of the great repressive and warmongering escalations of the military gangs and their terrorists that the Democratic Front Against Repression was created. The front made a call for attendance at the funeral of Manuel Colon Argueta, a Social Democratic leader, cowardly murdered by the paramilitary gangs, and it is estimated that thousands of persons attended. Moreover, the front carries out great campaigns of solidarity

against the repression suffered by the Guatemalan people, inside as well as outside the country. These are illegal organizations within an alleged legality but which go out into the streets. No one knows where their headquarters are but there they are fighting against repression. It is the same with the CNUS (National Council for Union Unity) whose work is palpable among the workers."

Before going on to the subject of union unity, the FAR guerrilla chief speaks on some interesting aspects of the present economic structures of the country:

"The peasants," he emphasizes, "continue to be the largest force. We already said that more than 70 percent of the Guatemalan population is peasant. Guatemala has 6.5 million people, of whom three million are peasants. Fifty thousand are farm workers and 80,000 are factory workers. The peasant mass works primarily with coffee, cotton and sugar, which are the main sources of wealth of the nation. The peasants, who are usually migratory, depending on the harvests, are very poor. The great majority of the landholdings are in the hands of large landowners...Capitalist agriculture is concentrated in the southern part of the country; that is where sugarcane, cotton and most of all, cattle, are raised for export alone. The basic domestic food element comes from the small landholdings: black beans. The zone of the country where past governments are making the largest investments under the instructions of imperialism is in the Northern Transverse Belt, which has an area of 9,000 square kilometers and covers part of Huehuetenango, the northern part of Quiche, Alta Verapaz and Izabal. Here is where the greatest wealth of the subsoil is concentrated and where the two largest hydroelectric plants in Central America are being built. They cost more than \$400 million. That is where the nickel mines are found. A multinational company with U.S. and Canadian capital has been installed there. They plan to extract some 50 million pounds per year, some 25,000 tons. This is one of the companies which has had the most influence in the political scene in the past 15 years. The hydroelectric plants of which I spoke are for the purpose of electrifying the zone. Successive governments have a mania for creating belts. It is said, for example, that the Transverse Belt is going to resolve the problem of basic grains for Guatemala. It is paradoxical: Guatemala being the country where corn originated, does not even produce the corn it consumes. It has to import it from the United States.

"Another important product of the economy is petroleum. At this time we are producing 17,000 barrels daily. The petroleum is found in Alta Verapaz on the border with Quiche, however, more to the west there are oil wells which produce up to 10,000 barrels daily. This petroleum is carried by a 250-kilometer pipeline to the Atlantic coast which has a capacity for carrying 30,000 barrels daily. A strategic highway is also being built from the border with Belize, across the Northern Transverse Belt to Playa Grande. They intend to run it to the border with Mexico so that the entire zone will be one of petroleum exploitation.

Something similar is happening with Peten. Colonization of Peten began in the middle of the decade of the 70's. It already has a population of 200,000 inhabitants. However, the generals are the owners of large areas of land: they have more than 5,000 caballerias. A caballeria here has more than 45 hectares. Peten is rich in lumber and in chicle, the chewing gum exploited by the Yankees. Other resources are the banana plantations of United Fruit in the northeastern part where the Indians are also barbarously exploited. It is well to add that the army in Guatemala is not only the watchdog, but is already participating in the enjoyment of national wealth. The land, particularly that which borders with Belize, is distributed among the officers, among all the officers. The characteristic of the officer is that he always belongs to the petit bourgeoisie. The officers and their superiors have taken advantage of power to enter into all businesses, even drug trafficking. One of Arana's sons, who lost an eye, was taken prisoner by the FBI in Miami for trafficking in marihuana and cocaine. Of course the soldiers are of humble origins. Traditionally they were of Indian origins but now as the Indian has become radicalized, the soldiers are recruited from among the mixed breeds, particularly from the eastern region, the cradle of reaction. It was from there that the invaders of Cuba departed, organized and financed by imperialism.

Toward Revolutionary Unity

"The unification process in Guatemala has been going on for more than a year. This unification process is accomplished on the basis of coordination and orientation of the movement of masses. At this time questions of strategic lines are being discussed so that we may agree on the coordination of the guerrilla movement on a national level. We expect that in this year of 1980 we will already be able to have a single program and a single strategy for the entire revolutionary movement, even if there is no organizational merger of the organizations...a single leadership will coordinate all this. We have also already established initial links with the comrades of ORPA; we already had them with the comrades of the EGP. Now, our position is to strengthen those links and have all those comrades join in the unification process which already existed on the same bases of mutual respect among organizations--not attacks among the organizations--common propaganda questions, and, basically, the facing of tactical situations in a coordinated manner. For example, if there were the possibility of a coup d'etat in the country encouraged by imperialism to give a picture which is different than the present, well, before that happened we should discuss the situation and deal with some general lines, trying not to become involved in contradictions. Actually, we believe that unity is basic, important for the revolutionary movement. The unity of the revolutionary movement is important for the unity of the popular movement, for the alliance with the democratic sectors, because if we are not united, then relations, national as well as international, with sectors such as the Social Democrats or with other

sectors which may demonstrate their willingness to help the revolutionary movement, will not be well cared for. We are aware that it is necessary to be united so that we may truly form an international movement of support for the Guatemalan revolutionary movement. We feel optimistic. We believe that this year is a year "for lining up," just as next year will be decisive for the Guatemalan revolution because the contradictions of the enemy are great and are going to become much worse. The Nicaraguan revolution has already put reaction and imperialism in a "bind" as we say here. The revolution in El Salvador will increasingly strengthen the revolutionary, popular and democratic movement in Guatemala. Unity is basic and is above any other interest!

Guerrilla Army of the Poor (EGP)

The Mass Organizations

For its organizers, the EGP was founded on 19 January 1972, but it was not until 1975, after a profound study of the situation of the country that the organization began its guerrilla activities. These were not exempted from some reverses during the course of their armed clashes with the government forces, the result if you wish of the new experiences which emerged from the struggle itself. Soon, however, with the passage of years the organization, more mature now, began to march along the road of success until it became one of the strongest guerrilla groups. Since the time that the EGP began to act on the scene of the Guatemalan popular struggle against the military dictatorship of Gen Romeo Lucas Garcia, the correlation of forces has obviously changed in favor of the guerrilla movement, which in past years has been placing the bloody tyranny in a crisis."

The highest commander prefers to refer first to the main mass organizations into which the heroic Guatemalan popular resistance is grouped. "We have the CNUS (National Union Unity Committee) made up of workers and employees in different types of work. One of the mass entities which has been the most outstanding is the CUC (Peasant Unity Committee). In addition, there are the National Movement of Dwellers, the Rubin Garcia University Student Front, The University Student Association (AEU), the Bank Workers Federation and the National Teachers Front. There is also the Justice and Peace Committee, which is a broad Christian movement. There are, of course, several union federations which enfold many unions...Much more than half of the unions have no legal standing, are not recognized legally, but they exist and make themselves visible with force in street demonstrations and strike actions.

When there is talk here of union struggles, protests, strikes and work stoppages, they should not be viewed as they are elsewhere because to go on strike in Guatemala means striking against repression, against the state. It is a matter, therefore, of very politicized mass movements. The people know that when they go on strike or make a protest they are

breaking the law and are subject, therefore, to many dangers, among them imprisonment or murder. That is the picture.

However, this is not an attempt to count the organizations but to point out those which at this time are of the greatest importance. That is why I believe it is timely to speak now of the Democratic Front Against Repression, which enfoldes many of the organizations mentioned and some others. The Front was created a year and a half ago. We must then speak of the concept of the Front, the initiative of the Front, and in large part, of the leadership of that Front, including how it is made up not only of trade union organizations but also of some democratic political parties. Proportionately the worker sector is not very well developed in the country. It has had, and it has, a great tradition of struggle, however, it is in the agricultural sector--because our country is eminently agricultural--where the great battles have been waged in support of attempts at agrarian reform, condemning the eviction of peasants... After temporary defeats, however, the worker movement is developing with more strength. In this last period it has been the vanguard of the popular movement. The middle classes have also played a vanguard role, that is, the teachers and students. In the strengthening of that worker movement, the CNUS has been participating with the idea of becoming a union federation. At this time the government has very little or no influence in the worker movement. The majority of the proimperialist union leaders have been expelled from their midst. Last May Day was a very combative day and the events which took place occurred less than a month after the cowardly murder of Social Democratic leader Colon Argueta. I mean to say that May Day took place in the midst of the climate of terrorism which followed the crime. The events of May Day were promoted by the CNUS."

Importance of the CNUS and the FDCR

"I believe that it would be a good idea to have a general discussion about the demonstrations of coordination of the organizations and about the points of unity which have been found in that popular movement, which we could divide into the CNUS on one side and the Democratic Front Against Repression [FDCR] on the other. The FDCR is a very important factor in the process; it is much more political; it is a factor which makes it possible to rally all the popular and democratic forces, which struggle in the country, around it. Note that it is a matter of an organization--the name itself says it--of struggle, which does not have a passive attitude, which does not say "they are beating us," but rather from the beginning it went on the offensive. And, of course, the Front has no legal standing, it has no headquarters, but the Front moves, the Front exists, the Front fights repression, the Front is revolutionary.

"Things must be done in a certain way in Guatemala to avoid being detected by the enemy...Many times we are asked why there are no leaders, and we answer that what is happening is that if there were leaders in Guatemala there would have to be hundreds of leaders so that the enemy would find it difficult to finish off hundreds of leaders. As three, four or five leaders appear, repression falls upon them in a bestial manner. Any leader, if it is on a union level, who begins to be combative, suffers merciless repression. For example, in the Coca Cola company, which is a union of the National Workers Federation, a very combative union, their leadership was practically destroyed. One of its leaders, Israel Marquez, had to go into exile; Luis Quevedo is threatened by repression and Pedro Balau was murdered. If the Front has managed to remain--and with ever-increasing strength and combativity--it is because it has been created around thousands of persons. If we could appoint 20, 40 or 50 leaders and classify them as such, it would no longer be the same situation...I must add that 2 or 3 years ago we came to the conclusion that the situation of prolonged repression in Guatemala resulting from popular defeats, ebbs and flows and reinitiation of guerrilla struggle under the worst conditions, contributed to a process of political maturity to such an extent that today popular tenacity does not retreat before repression. Nothing can intimidate or frighten us. The heroism of the people is already a known, not momentary, but a firm and stable fact. An extraordinary qualitative change has taken place. I should add that regardless of this political activity of the masses in the Front, the masses continue to organize and struggle for the individual problems of each organization, that is, for their economic and trade union claims. On the latter, we could cite an example: The Peasant Unity Committee, which is a peasant mass organization, has its basic organizations such as the Union, the Peasant Leagues, and so forth. But this basic organization is not the fundamental one; instead it is the local assembly in each locality.

Revolutionary Unity

"The case of the unity of the revolutionary forces in Guatemala is very special...The very needs of the struggle have already created the conditions for a profound and solid unity. We, the EGP, before the factions of the Sandinist National Liberation Front united to obtain victory, were already part of a tripartite committee--FAR, EGP and PGT--for coordinating mass actions in Guatemala and trace the guidelines of a strategy for common struggle. Obviously, attacks among ourselves, which characterized a certain period, had tactically ceased. There has been a close friendship with ORPA, strong and unbreakable. They helped us even when they had not yet begun operations. Conditions existing in Guatemala today are of such a nature that I do not believe there will be any great obstacles to unity. There has to be a necessary process so that it will have a coherent integration, which cannot be decided on a single aspect or in a single manner because there have been differences. At this time we have essentially no points of conflict, but there are points we must clear up. It is

very unlikely that there would be the case in Guatemala that there would be a coup d'etat tomorrow, that a political-military junta would emerge, and that we would ask ourselves "What are we going to do?" That has already been foreseen, we will know what to do jointly, although some details still have to be discussed...I would say, to sum up, that very important steps may be taken in 1980 on the road to the unity so desired by the people. It would be inconceivable for actions to continue without a single coordination.

Organization of the People in Arms (ORPA)

The Situation: Basic Characteristics

The Organization of the People in Arms (ORPA) made its fighting presence public on the Guatemalan scene on 18 September 1979. For 8 years before undertaking armed struggle, they devoted themselves with self-sacrifice, tenacity and in silence to the structuring of the organization and to the profound study of the country in its social, economic and political aspects. It was a long and laborious process of research, which resulted in important documents, among them the history of Guatemala from a progressive viewpoint, a geography and several examinations of the situation in different periods, extremely rich in statistics reflecting the real national philosophy, from which is drawn the conclusion of the need to lead the people toward substantial changes in their historical and political future. The ORPA proposes the taking of power through armed struggle with the participation of all the popular forces.

Now we have before us the guerrilla chief of the organization, in the midst of the mountains, coordinating the next operations to be carried out with his staff.

"The political situation and the general situation of the country," he says, "should be viewed from several points of view: from the point of view of what the policy of the government and the ruling class is and from what the situation of the revolutionary struggle by the people is. These two points of view, moreover, have an intimate relationship. From the point of view of political power and the power of the ruling class, a cohesion around the army continues to be manifested and we believe that the process continues which we define as the predominance of oligarchic power. This has allowed the creation of a false institutionality in the army and the Guatemalan ruling classes. That is why the basic characteristics of the situation are the maintenance and prolongation of repression and overexploitation of the people.

"But it must be said that the generals not only serve as instruments of repression and stabilization, but in turn they have also become the great magnates and landowners, some of them becoming part of the growing economic list of the Guatemalan ruling class, although from the social point of view they may not be integrated much. It is important to under-

stand and comprehend this because at times there have been attempts to include the entire institution in that policy of repression. Within the army this has aroused an increasing dissatisfaction and a situation of confusion in some officers, who become more and more aware that they have to play a role and this makes them think. In this respect, there are officers, who we are sure do not view the status of an instrument to which they have been relegated, with pleasure. This does not mean, of course, that it is proposed that these officers have some power within the army, some power of decision, or that they have the possibilities of grouping as such. One of the characteristics of the process of militarization is repression. It is so great that it even reaches the officers and members of the army, who are always subject to a very strong policy of neutralization and supervision. We believe that this general situation of a structural nature existing in the country is the final crisis of the system. Perhaps we should have said from the beginning that Guatemala must be considered a society which is in its final crisis, and within that final crisis, the militarization of the oligarchic power is playing a role which in turn is already reaching its peak. That is the reasons for the demonstrations of confusion, at least in some cases, within the army.

"Speaking of Guatemala and repression, we must speak about the struggle of the people...The people of Guatemala are not a flock of lambs who have allowed themselves to be murdered savagely, rather they are a very heroic people, who despite having had to face one of the worst repressions in Latin America and perhaps the world, have never ceased to struggle. The first outbreaks of armed struggle took place in Guatemala after the victory of the Cuban revolution, and despite the painful experience of the decade of the 60's and the first years of the 70's, 10 years later we find ourselves with a vigorous movement, an extremely strong movement, qualitatively much better than the one existing before in which the armed movement was destroyed. We see then how despite repression, the students movements and mass movements in general have been maintained in a hot fight in the defense of their interests, the defense of their claims and against repression...As of 1971-72, a process of accumulation of forces began in which the organizations are silently recovering; new organizations are created, as in our case, an independent organization with its own tactics, with tactics which are very suitable for the situation of the country...I believe that we could say that in these years the various revolutionary organizations followed different roads but they have once more met on the road of revolutionary war, still with differing views on problems but views that are more conclusive and convergent than they are different. This is what the people were waiting for. It is a new experience we have undergone in the past months. There has been a great acceptance of our organization by the people, expressed in many ways.

"With respect to our links with the mass organizations, we must say that while there exists a more or less well-known presence of some organizations

in the fighting fronts on the union level, the student level, the peasant level or at the level of inhabitants, our strategy in that respect has been, and still is, to be within the mass but not to act openly in the name of the organization in that legal or semilegal front, but primarily in the rank and file of those fronts: in the university, in the union, among the peasants, among the workers, among the professionals, but never do we appear as an organization leading any large front.

Steps Toward Revolutionary Unity

"There are four national-level revolutionary organizations in Guatemala--FAR, EGP, ORPA and PGT--which exist in different sectors. We believe that the main point of unity which can provide the conditions for the work of greatest scope and greater results is the concept and the practice of the development of revolutionary war. In this, obviously, there are sometimes different interpretations of the same practice of revolutionary life, although more and more we may observe a greater consensus in the development of guerrilla forces, in the development of armed urban actions and in the coordination of this type of military and political action. Now, we believe that it is a process which will be determined by historical reasons, by an accumulation of experiences, and which in practice the very needs of the country lead to a convergence, that is, a coming together of the organizations. There may be another type of convergence for confronting the government, or rather, repression. To fight against repression it is not necessary to be a member of a revolutionary organization. The fight against repression has specific characteristics: it is the fight for respect for human dignity, a fight in which other sectors of the country, even in the highest circles, may join...It is worthwhile adding that the revolutionary sectors are the largest sectors and that the prospects of the revolutionary forces for development are truly great. Therefore, the existing force, separately in each organization as well as all together, is a serious force, which has been improving qualitatively and above all, improving in the capability to multiply more every day."

Now the guerrilla commander speaks about one of the organization's methods of operation:

"Our basic concern is not to give the enemy a chance, not to carry out isolated actions but to work in terms of campaigns which have a political and military objective. For this purpose it was necessary to carry out an entire phase of training...For example, the seizure of a town lasts at most a couple of hours because the communications network existing can cause the enemy to be in the same place in one, two or three hours. They have always arrived a little bit later but the time that they take in arriving is never less than two hours. However, we have been up to two hours in one place. One of the last places was that of Santa Lucia de Utatlan. It is a very important municipality in Solala Department and the municipal seat was taken on that town's patron saint's day, for which reason there were many people there, including from other departments.

Anyway, the town was occupied, the police garrison disarmed, the bells were rung, the population gathered and a meeting was held in Quiche and Spanish. The town was occupied for two hours despite the fact that it was only 4 miles from the Pan-American Highway. The following day, as a response to the repression the army had unleashed in the country, the organization prepared an ambush. One of our units waited for the arrival of the enemy in Santa Lucia de Utatlan and at 1200 it ambushed the first truck to arrive. They were practically annihilated. It is estimated that there were some 20 dead and wounded. The truck was completely destroyed...The local press reported the event. The army is very concerned. In a previous fight on the banks of the Ispal River, it suffered 17 casualties between dead and wounded. It was a military unit commanded by a Somozist officer [as published]. The fight was long, about 5 hours. They attacked our detachment with bombs, mortars and bazookas but they could not capture it...After this, the Army initiated a press campaign saying that they had seized five camps, that they had inflicted eight casualties and on us and that they only had three wounded while we had 17 dead."

With respect to counterrevolutionary violence, he explained:

"Repression has one characteristic which stands out among all others and must be explained. There has been some confusion when there is talk about paramilitary bodies and this is one of the things which we have precisely denounced in the editorial of the first number of our newspaper ERUPCION. We believe the enemy has tried to establish that a situation of violence exists in Guatemala, a fight between the extreme right and the extreme left. Some sectors of the left have said that right wing civilian sectors have been responsible for this type of repression. We say that it is a matter of a clandestine repression aimed at carrying out a great campaign of terror and we charged that in Guatemala, beginning in November of last year, a campaign of generalized terror was unleashed to seek to repeat the events of 1967-68, which were the greatest attacks on a guerrilla movement. It is a campaign aimed at isolating the guerrilla movement through terror and repression from the rest of the democratic, progressive and popular sectors, and leave it standing alone. A few days after we had revealed the campaign of terror, the first victim was a newsman, who they murdered. More recently, the Secret Anticommunist Army burned the installations of the Western University Center, accusing us absurdly that our propaganda was printed there. Actually these right wing paramilitary groups, which apparently act clandestinely and say that they do not cost the government anything, are nothing but special groups managed by some sectors of the army so that they will act in this manner."

When the correspondent asked for a more precise opinion on the negotiations for unity, the guerrilla commander emphasized:

"I believe that conditions exist for unity: conditions of a general nature, of a historical nature and because of the very situation of the country and of course because of situations determined by the degree of maturity of the revolutionary organizations which will bring us closer and closer together. It is the time, as we said at the beginning, of emphasizing points of agreement...We shall have to seek all the elements which will unite us, and although there may continue to be things which may divide us, we should relegate them to a secondary plane. Undoubtedly, 1980 offers good prospects for the unity of the revolutionary forces and many good prospects for increasing the revolutionary struggle in the country...We believe that the international situation is very favorable and that 1980 offers many opportunities which must be taken advantage of; that it calls for great efforts by all revolutionaries and all the organizations. I repeat, there is a climate, a number of important conditions, which can and must be used. On a regional level the struggle by the Salvadoran people serves as a great stimulus to the struggle of the Guatemalan people and I believe that in turn the Guatemalan struggle encourages the struggle of the Salvadoran people..."

8908

CSO: 3010

ALCOA'S GOVERNMENT EQUITY GOES UP 20 PERCENT

FL281620 Kingston THE SUNDAY GLEANER in English 20 Apr 80 pp 1, 2

[Text] The governments of Norway and Jamaica between them will own 49 per cent equity in the expanded Alcoa alumina plant in Hales Hall in Clarendon which is expected to come into production in just under three years.

At present the Jamaica Bauxite Mining Company, a wholly-owned company of the government, holds 6 per cent of the equity as against Alcoa's 94 per cent. However, with the entry of the Norwegian Government into the expansion programme Jamaica's equity will go up to 20 per cent. The Norwegians will hold 29 per cent and the remaining 51 per cent will be held by Alcoa.

As already reported, the expansion which will double Alcoa's production, from 500,000 to 1 million tonnes will cost R350 million. I now understand that this sum will be provided by the Norwegians on their own and on Jamaica's behalf.

The Big Question

The terms under which Jamaica will pay for its share of the equity have not been disclosed but it looks very much like a payment from profits arrangement under such the Jamaican Government will repay the Norwegians out of profits made now and in future from its equity in the company.

The big question now is, what is going to happen to the projected South Manchester alumina plant which the government is planning to build with assistance from the Hungarian Government? Additional production from the expanded Alcoa plant will just be 100,000 tonnes short of the planned capacity of the South Manchester and because it is not starting from scratch, its estimated cost is \$150 million less than the R500 million South Manchester plant.

Furthermore because of government's break with the IMF, some observers feel that the additional equipment and machinery credit on which government was counting to get the project off the ground will not be forthcoming.

Mexico Interested?

All this notwithstanding, sources close to government were saying last week that the South Manchester plant is still on. It is still on they say because it is a feasible project and has been accepted to be so by no less an organization than the World Bank which had examined it closely some time ago. In addition these sources say the Hungarians are committed to some \$260 million credit which together with a further \$90 million from Iraq (450 million) and Algeria (440 million) leaves only \$150 million short of the \$500 million (at 1978 prices) which the project will cost.

Last week, too, there were reports that Mexico which had reneged on its participation in the abortive Javamex is showing renewed interest in the South Manchester plant and is now willing to invest in the project. As far as I can gather Mexico's interest is such that it would be prepared to invest at a level that would allow the projected production of 600,000 tonnes to be raised to 900,000 tonnes.

At the same time the basic engineering for the South Manchester plant being carried out in Hungary with the participation of Jamaican technicians is said to be nearing completion and should be finished by mid-June.

Footnote: Revere is packing up and leaving Jamaica. Last week legal representatives of that company was in Jamaica to get export permits for such machinery and equipment as the company wishes to ship out of Jamaica.

CSO: 3020

BANCO DE MEXICO: U.S. RECESSION WILL HIT US

Mexico City EL SOL DE MEXICO in Spanish 20 Mar 80 pp 1-A, 17-A

[Article by Fernin Vasquez Lagaria: "Recession in United States will hit Mexico"]

[Text] The anti-inflationary policy of President James Carter will cause a recession in the United States which will have repercussions on the Mexican economy, the director of the Bank of Mexico and the president of the Bankers' Association agreed yesterday.

Rolando Vega, of the ABM [Mexican Association of Bankers], assured us that if there is a recession in the United States, it will undoubtedly affect the Mexican economy and thus also the country's development, especially the exporting industry.

Gustavo Romero Kolbeck, director of Banxico [Bank of Mexico] noted quite frankly that the Mexican economy will feel these effects and refused to go into any further detail on this matter, maintaining that "it is too early to talk about measures" in the United States.

Both of them were interviewed by EL SOL DE MEXICO during the Regular National Assembly Meeting of CONCANIN [Confederation of Industrial Chambers].

The leader of the bankers explained that the plans of the United States government against inflation can be viewed from many angles and he stressed the fact that there will unavoidably be a recession in the United States economy as a result of all this; among other things, this will create more unemployment and will lower the purchasing power of the ordinary citizen.

This, he said, creates a different panorama for Mexico since "we must realize that these consequences in the United States will influence our development."

In this sense, he added, Mexico's exporting industry might be directly affected because it will encounter difficulties in getting into a market with a low purchasing power, a market in a recession.

Thus, he added, petroleum will, more than ever before, be the tool that will help us remove an obstacle like this one.

5058

CSO: 3010

NEW OIL FIELD FOUND IN CHIAPAS

Mexico City EXCELSIOR in Spanish 18 Mar 80 p 1-A, 10-A

[Article by EXCELSIOR Correspondent Mario Ruiz Redondo: "Biggest Petroleum Deposit Found in Lacandona Jungle"]

[Text] Pico de Oro, Lacandona jungle forest, Chis, 17 March-The biggest petroleum deposit so far discovered in Mexico is located here, 9 kilometers from the border with Guatemala.

The incalculable wealth contained in the mantle has been handled with utmost discretion by PEMEX. But governor Juan Sabines Cutierrez told this correspondent that, in accordance with the data supplied to his administration by this government petroleum enterprise, it is the richest ever discovered in Mexico.

Engineer Jenaro Andrew Gonzalez, PEMEX manager in the southern zone, based at Coatzacoalcas, met with this correspondent in the little town of Boca Lacantun and told him that exploratory work in the area between the Lacantun and Usumacinta river has clearly established the presence of various anticlinal structures and one of the biggest ones is at Lacantun (Pico de Oro).

He said, by way of background information in definitely establishing this site, consideration was given to the deposits in the Trinitaria 1 and 2 wells, as well as the discoveries in the adjoining land on Guatemalan soil known as Rubelsanto.

Energy sources are currently being extracted in small quantities in the Rubelsanto wells, in the midst of that neighboring country's jungle forest zone. The Guatemalan guerrilla fighters have so far prevented any major operations in this production center.

He noted that the PEMEX program in the country's southern zone was intended to evaluate new provinces with a view to increasing the nation's hydrocarbon reserves.

Engineer Juan Antonio Fernandez, who is in charge of this activity in Chiapas, said that, in pursuit of these objectives, drilling is being done in the Bonampak area, to investigate and evaluate the petroleum possibilities in Jurassic and Paleozoic sediments in the area.

The official explained that other areas of investigation are in Comitán, where we have the Retiro 1 well, in the vicinity of the little town of Margaritas.

Along the coast of Chiapas, he said, we already have the "Huixtla" well, near Tapachula, where exploration carried out so far has revealed excellent possibilities of discovering a large quantity of hydrocarbons.

The PEMEX technicians are organized in eight work teams and are conducting exploratory activities both in Tabasco and Chiapas.

The CIES, with headquarters in San Cristobal de las Casas, likewise assured us that PEMEX has found petroleum in 40 out of the 111 townships in that area.

A study by the CIES reported "Pico de Oro" as another one of the tremendous petroleum finds in Mexico.

Engineer Andrew Gonzalez explained that PEMEX is studying ways of bringing in all of the equipment necessary at the new deposits and starting exploitation immediately.

The difficulties facing the government petroleum enterprise are great since the machinery will have to be brought in by helicopter or along the Lacantun River.

He said that work is being speeded up on the construction of the road which will run to those new petroleum fields.

Governor Juan Sabines Gutierrez announced that he has already started talks with PEMEX director Jorge Diaz Serrano in order to analyze the benefits which Chiapas will provide for the Federal Government due to the new wealth discovered in this area.

The inhabitants of the recently created population centers look to this new discovery with skepticism and argue that it is becoming a threat to their continued existence in this region because there is no skilled manpower available here.

PEMEX CHIEF DISCUSSES PLANS, PROBLEMS OF HIS INDUSTRY

Mexico City EL DIA in Spanish 19 Mar 80 pp 8-9

[Report by Mexican Petroleum General Manager Engineer Jorge Diaz Serrano]

[Text] Guadalajara, Jal., 18 March 1980, 42nd anniversary of petroleum expropriation. Mexico's petroleum is tied in with the country's goals. We can and must become a fully developed country. Proven reserves were increased to 50,022 million barrels. The Gulf of Campeche already produces more than 500,000 barrels of crude per day. The country's biggest production deposit is "Antonio J. Bermudez." Drilling is under way in the sea, 20 kilometers from San Blas, May. Output until yesterday: 2,070,000 barrels per day. We produce 3.5 million cubic feet per day of natural gas. PEMEX [Mexican Petroleum] has the world's biggest ammonia production complex. In 1979, the petroleum product balance of trade was favorable to the tune of 79 billion pesos. The PEMEX contribution to the federal treasury came to 47 billion in 1979. Mexican Petroleum is now running in the black.

Citizen President of Mexico,
comrade petroleum workers,
ladies and gentlemen:

Petroleum expropriation was decreed 42 years ago on 18 March 1938.

This span of time enables us, with the broadest possible perspective, to appreciate this act of sovereignty of the nation in defense of its laws, its institutions, and the interests of its people.

Current events cast new light on the expropriation decree. It was not only the assertion of our personality over the hard-line hegemonic positions of the colonial type. It was an act of exceptional political lucidity whose consequences, right now, document the statesman-like qualities of the man who governed the nation's destiny at that time, Lázaro Cárdenas.

Today, Mexico has another statesman as chief executive and his visionary capacity is quite up to the level of our time; he knew how to take the initiative and bring the petroleum industry to its current status, imparting a new dynamics to it.

President López Portillo from the very beginning stated the strategic role which petroleum must play in the country's economic and social growth. Petroleum in Mexico cannot and must not be considered separately, as a resource not having anything to do with the political context and the goals which the country has set itself. By virtue of Mexico's history and determination, petroleum is of Mexico and for Mexico. It is the postulate which governs the country's policy in petroleum matters.

At the start of the 6-year term of President López Portillo, our reserves were too low to keep up with the possibilities that were being contemplated. Our policy consisted in developing a group of actions which would permit an increase in those reserves. It must be made clear that petroleum wealth is based not only on the fact that one has hydrocarbons in the subsoil; it also requires us to explore it, to determine it in quantitative terms, to measure the exploitation possibilities, so that these reserves may have economic value and may be useful.

From the very beginning, new petroleum prospecting activities followed the idea that the petroleum, that was to be obtained, would have to serve as support for Mexico's growth and social development in the present and in the future.

Today I am happy to inform you that Mexican Petroleum has been playing the role assigned to it as part of the policy of President López Portillo and that this has made it possible for us now to have the kind of wealth that can be expressed in quantitative terms and that will be used in the manner and under the terms which the people will decide through the action of its government.

Thanks to the work of the current administration, hydrocarbons constitute the center of a vast industrial, scientific, and technological effort which will give the country a great degree of self-sufficiency in this area and which will also give it a new dimension among the family of nations.

The facts demonstrate the president's vision. We have properly responded to the challenge deriving from international petroleum troubles.

Mexican Petroleum has become stronger, on the energy sector market, of which it is a part and on which it has found orientation and support; it has gone ahead in its process of integration and it is today one of the first agencies of its kind in the world, thanks to the lucidity and energy of Jose Lopez Portillo.

If this were just any other industry, speaking quite generally, this would just be a piece of good news; but in relation to petroleum it is something more. For Mexico, it is a guarantee of independence and solid progress.

In the world of today, petroleum is not only an investment. It has a significance which goes far beyond mere economic concepts. It carries political weight which nobody can deny and it places Mexico in a position of singular importance within the international context.

The situation demands greater intelligence, greater courage, a stronger will, and greater devotion to the service of the republic of all of us, precisely because we are at a historical juncture at which we can and must begin the big jump, leaving behind underdevelopment and improvisation.

All Mexicans, especially all petroleum workers, must assume very serious responsibilities. The greater the possible benefits, the more urgent will be the domestic and foreign requirements which we must meet.

Six-Year Program

At the start of this administration, we planned to increase the output of crude and gas condensates and liquids, from an annual average of 894,000 barrels per day in 1976 to 2,242,000 barrels per day in 1982.

These figures are based primarily on knowledge of the first deposits in Chiapas and Tabasco and certain indications in the Gulf of Campeche. Through an exhaustive review and in the light of new scientific, technological, and commercial concepts, it was possible to discover the true magnitude of the region and its promising prospects and consequently to establish output targets.

On these foundations we outlined a 6-year program which was submitted in December 1976. According to that program, we called for the export of surpluses of crude petroleum and derivatives from petroleum refining which, starting with 100,000 barrels per day in 1976, would be gradually increased to an average of 1,105,000 in 1982.

In addition to the above, we will double the refining capacity and we will triple the basic petrochemical industry installations.

All of this adds up to the implementation of an investment program totaling 310 billion pesos.

These ambitious goals demanded a maximum effort in terms of the agency's organizational and technical capacity.

Events developed with such speed in recent years that they might possibly create a feeling among the public that something very simple has now been resolved; but it is clear that none of the expectations deriving from petroleum will materialize automatically.

We have prepared and widely disseminated the 1979 activity report detailing statistics on all operations conducted by the agency. Since we are halfway through this administration, I would now like to comment on the most outstanding facts and results of the past 3 years.

Reserves

As was said on other occasions, we had, as of 30 November 1976, a proven hydrocarbon reserve totaling 6,338,000,000 barrels. At the start of the current administration, we reviewed the basic criteria used in determining the reserves and we arrived at the conclusion that, as of 31 December 1976, the total proven reserves in reality came to 11,160,000,000 barrels. At the same time, prospecting work was speeded up and we started a thorough review of the hydrocarbon potential on national territory. This meant that, during the first 3 years of the current administration, our proven reserves increased by 45,803,000,000 barrels as of 31 December 1979. We continued to prospect and to evaluate the petroleum subsoil. I would like to inform you that these proven hydrocarbon reserves today amount to 50,022,000,000 barrels which means an increase of 690 percent compared to the point of departure mentioned earlier.

This growth is spectacular. We believe that this constitutes a rather unusual case because the world's proven hydrocarbon reserve during the same period of time remained practically constant.

With the new figure on proven reserve--which puts Mexico in sixth place worldwide--the ratio between the reserves and output is 64 years.

Current reserves, added to the fact that petroleum exploration operations are being continued successfully, would mean that Mexico has a firm guarantee that its hydrocarbon reserves, for a considerable period of time, will not run out, in spite of the fact that the country's development needs demand the growing extraction of these substances. We are thus operating on secure ground, without the type situation in a critical time which could spring from a smaller ratio between output and reserves.

The gas deposits in the southeast, which are very rich and generous, geographically, by themselves, do not represent a complete guarantee for the country's supply because damage to the big gas pipelines might

possibly paralyze major industrial sectors as well as electric power generating plants. This is why we want to point out the following: accidents can happen anytime, especially in relation to an activity such as ours which, by definition, is a high-risk activity.

The rather well-developed Sabinas basin will give us considerable support in time.

With gas from Sabinas and with what we get from other areas we will be able to boost our supply of this energy source and we will be able better to cope with the remote but real possibility of an interruption in the flow of supplies.

Chicontepec Paleochannel

It is located in the northern part of the State of Veracruz; it covers an area of 3,300 square kilometers and consists of a stack of Tertiary sediments with a thickness of about 2,500 meters.

Among the fields recently discovered in the southwestern part of that area, those constituting the so-called Iris-Giraldas complex stand out because of their size. This complex covers an area of 50 square kilometers, similar to the one at Campo Cactus. Its probable reserves have been estimated at 1.5 billion barrels, which would place it among the gigantic fields.

In addition I would like to announce that, 15 days ago, a new field was discovered in this area, as a source of production, at a depth of 3,500 meters. The field is called Cardenas and is near the petroleum town of Cardenas, Tabasco.

Sabinas Basin

In this area of Sabinas, six gas fields have been discovered and the average output per well is 10 million cubic feet per day--rather high compared to what we get out of the gas wells in the rest of the country.

The discovery of these gas deposits in the Sabinas basin is of the utmost importance because, as a result of that, Mexico's output of this energy source is diversified in terms of the location of these sources.

The Gulf of Campeche is already producing more than 500,000 barrels of crude per day.

Chiapas-Tabasco Mesozoic Area

This important region, located in the southeastern part of the country, in the states of Chiapas and Tabasco, covers an area of 7,000 square

kilometers and has a tendency to grow. So far, we have found 25 fields where the average output per well is 6,000 per day. Right now, the area's output is more than 1 million barrels of crude petroleum per day and 1.8 million cubic feet of natural gas per day, from which we get 120,000 barrels per day of liquid and 1,000 tons per day of sulfur.

The biggest field is the Antonio J. Bermudez field which is a complex that includes various deposits. The rocks constituting it present porosities which enable us to get a high productivity rate for each well.

This deposit is producing 600,000 barrels of crude per day and is the biggest producer in Mexico right now.

Campeche Probe

The Continental Shelf, which surrounds the Peninsula of Yucatan, is very big, covering an area of more than 170,000 square kilometers. This shelf extends above all to the north and the west of the peninsula.

Although general marine seismological exploration covered most of that continental shelf, work in greater detail was conducted on a surface area of 8,000 square kilometers in the southern part of the Gulf of Mexico, off the coast of the State of Campeche, where a large complex of crude petroleum producing fields was discovered.

The zone where petroleum deposits have already been proven covers an area of 700 square kilometers which must be developed. This, plus the impressive thickness of the rocks that are saturated with petroleum and the great porosity of those rocks, turned the Gulf of Campeche into the world's most important new petroleum province.

As of now, the principal field in the Campeche probe is called Akal; with an output of 42,000 barrels per day for each well, it is at the top of the list of producing fields, worldwide, in terms of average yield per well.

The figures on probable and potential reserves were not published in Mexico prior to 1976. However, we have information to the effect that the potential reserves were estimated at 40 billion barrels, although the probable reserves were not calculated. Right now, on the basis of studies conducted, the potential reserves are estimated at 200 billion barrels and the probable ones have been estimated at 40,432,000,000 barrels. The potential reserves figure includes the proven ones and the probable ones.

Exploration

Through the use of the most modern geological, geophysical, fields, and office methods, the current administration's prospecting policy has made it possible to achieve very favorable results.

The areas which contributed primarily to the change in the petroleum outlook are as follows: the Campeche probe, the Mesozoic area of Chiapas-Tabasco, the Sabinas basin, in Coahuila, and the Chicontepec paleochannel, in Veracruz.

As we said before, the rocks in which the petroleum is stored are low-output rocks but they are only 1,200 meters down, on the average. These geological features have persuaded us to think that, to develop the area, we will have to drill 16,000 wells with between 50 and 100 barrels per day; this is perfectly feasible in cost terms; the average output per well, for example, in the United States, is 16 barrels per day. On the other hand, including the output of the new deposits, Mexico's average output is 500 barrels per day and per well.

The Chicontepec paleochannel offers ever more favorable prospects than those derived from these data. During a recent visit to Poza Rica, in connection with the sad and lamented anniversary of the great petroleum leader Heriberto Kehoe, we received information to the effect that promising extensions have been discovered and that it is correct to speak already in terms of a paleodelta in Chicontepec, in place of only a paleochannel. This of course does not mean--as some people frequently think--that we are floating on a sea of oil but rather that we have many years of hard work ahead of us in order precisely to locate it and in the end to extract it.

For the first phase of its development, we have selected a priority area to which equipment is being allocated in order to go ahead with the drilling and exploitation.

It must be pointed out that the overall development of this area was planned as a way to promote the production, in Mexico, of equipment, metal-working and electrical accessories, chemical products, and other commodities which is why, as time goes on, we will begin to draw on the domestic supply of these items to the extent possible.

Our exploratory work is being extended methodically throughout all parts of national territory where there are any indications as to the existence of hydrocarbons or where their discovery is considered possible for scientific reasons.

The fact that we are gathered here today, in the city of Guadalajara, shows that we are concerned with the total area of the country.

We are here on what Mexican geologists have called the "Gateway to the Pools." During Jurassic and Cretaceous times, more than 100 million years ago, there was a water passage between the Atlantic and the Pacific through Mexican territory. The Atlantic flowed into the Pacific here and this outlet is called "Portal" [gateway]. The gateway covers a large portion of the states of Michoacan, Jalisco, Colima, and Nayarit, whose land and continental shelf present sediments that make us think of the presence of

petroleum. This has persuaded us to study those parts of Mexico. We know that the work will take long and will be expensive but we hope to find hydrocarbons that will come out in a productive form.

The Nayarit continental shelf, as well as the area in the northern part of the Sea of Cortes have ancient geological relations with the phenomenon I have just mentioned, which is why we are exploring and drilling wells in both places.

We are drilling in the sea, 20 kilometers out, off San Blas, Nayarit, and Huichol Well No. 1. In this well we have already had manifestations of the existence of hydrocarbons, primarily natural gas. This information is important because this is the first time these substances have been found in this part of the country.

The most important output figures and accumulations of petroleum and gas encountered and exploited in Mexico are located in carbonated rocks of the Cretaceous age. However, our geologists have for a long time been advocating the idea that most of the Mexican petroleum was generated during a much older age, the Jurassic age.

Since they are older, the Jurassic rocks are deeper down than the Cretaceous rocks. Like those of the Cretaceous, they are also very good hydrocarbon storage areas. In the Jurassic, Mexico has an additional backup support in terms of petroleum and gas. Its hydrocarbons are more difficult to extract but they are possibly to be found in deposits that are as huge as that of the Cretaceous.

Right now we already have important production and accumulation points in the Jurassic at San Andres, Veracruz, at Samaria and Caparroso, in Tabasco, and at Akal, in the Campeche probe.

In November 1979, we reported that the output had reached 1.82 million barrels per day and that this figure was double the output in November 1976. Within just a few years, the petroleum output in Mexico had doubled.

I am happy to inform you today, 18 March 1980, that the output of Mexican Petroleum was 2,070,000 barrels.

The present administration has from the very beginning placed special emphasis on natural gas conservation and utilization.

During the past 3 years, a tremendous effort has been devoted to developing the management, processing, and utilization capacity for natural gas which we have available in growing quantities.

The good quality of the results emerges quite obviously by virtue of the fact that we have reduced the volume of gas burned in relation to the total output from 21 percent in November 1976 to 6 percent in 1979, as well as the gas output during that same period of time was increased 36 percent.

Right now, we are producing 3.5 billion cubic feet per day of which 7 percent are burned off into the atmosphere. Of that amount, most is burned out at sea in the Gulf of Campeche. We have already started the construction of the first gas pipeline which will bring gas from the sea to land and we estimate that we will be processing and piping natural gas into the networks of Mexico before another year has gone by. This will give us 97 percent utilization of this important hydrocarbon.

These results are expressed, within the agency, not only in greater availability of raw materials for industrial processes; they also have their reflections in the country's general economy since we can thus make available to industry, in addition to fuel oil, an alternate energy which is cleaner and which offers considerable advantages in terms of management; besides, I must say, this is an energy source which does not cause any pollution.

The domestic gas distribution networks have been expanded constantly; the use of gas in Mexico has increased at a fast rate and we can say today that natural gas is the most frequently used energy source in Mexico.

At the same time, now that Mexico has managed to move the price of gas on the world level up to the place it should have as a hydrocarbon, the exporting possibilities will favorably modify Mexico's production structure.

The skillful use of all known energy sources is vital for the continued existence and prosperity of the world, such as it is and such as we know it. That is what President Lopez Portillo said at the United Nations.

Giving natural gas its proper place therefore is an important step in the energy development of all nations, both big and little, both rich and poor.

For this purpose, Mexican Petroleum, during the period covered by the report, completed the integration of the national interconnected gas system through the Cactus-Monterrey trunk gas pipeline, in other words the important system of gas pipelines which supplies the northern part of the republic and connects it with the natural gas sources in the south and in the highlands. In this way we established the infrastructure for supplying the nation's production establishment with this energy source whose exploitation and use will be a key instrument in Mexico's growth.

The Ixtoc Well Accident

On 3 June 1979, we lost control over Ixtoc well 1, an exploratory well, which was drilled 90 kilometers north of the city of Carmen in the Gulf of Campeche.

In addressing various authorities of domestic public opinion and above all the Honorable Chamber of Deputies, we had an opportunity in detail to explain the causes, the consequences, and the significance of the Ixtoc accident.

We can say with certainty that the loss of control at a well is an accident that is common in worldwide petroleum operations and that its frequency goes up in direct proportion to the number of drilling operations we carry out and also, quite importantly, in relation to the success of those drilling operations. Dry wells never run wild and little wells go out of control as a result of little accidents.

For 10 months, the Ixtoc leaked crude oil and gas and the efforts and know-how of our engineers and workers managed to reduce that to a minimum.

According to estimates, which are never supposed to be perfect but only approximate, 30,000 barrels per day were spilled during the first few days; this volume was quickly reduced 50 percent as a result of immediate control operations.

The Ixtoc accident, which caused so much excitement and triggered all kinds of accusations and alarms, in reality, as I said in the past, was an event for Mexico and for PEMEX which, looking at it objectively, never assumed the proportions of a catastrophe but rather was an encouraging sign.

We can estimate that 3.1 million barrels of crude flowed out of Ixtoc. It is a fact that, during the effort to close the well and during operations directed against possible pollution, this agency spent approximately 3 billion. But while these figures are considerable, they are small when compared to the wealth of the deposit which we were able to figure out by virtue of this well.

The current output of the Campeche probe, in terms of barrels, gives us a daily income of approximately 322 million pesos. This income makes up for the expenditures caused by the Ixtoc accident in less than 10 days.

This deposit as a matter of fact, in its own structure, contains on the order of 800 million barrels of reserves, but it belongs to a complex which is currently considered the world's biggest out in the sea.

The money spent was just a portion of the expenditures usually earmarked for exploratory work, the kind of work which, as we easily understand, is rather chancy and requires flexible management. We must also take into account that the risky aspect in these operations is not necessarily nor usually negative. Petroleum discoveries in the area of Reforma and Gulf of Campeche can become the most positive economic fact in the country's entire history.

Mexican petroleum technology, in fighting hard against the gigantic pressure from this exceptional well and against the almost always bad circumstances represented by the climate and the sea, demonstrated its capacity and worked out considerable innovations relating to the closing of wells that are out of control.

It is true--and we said so from the very beginning--that we had to call in some foreign experts and rent equipment; but it is also true that they did their job under the direction of PEMEX and that there is no country in the world, no petroleum company, no matter how powerful it may be, which by itself has everything it needs to remedy accidents of this kind and especially this magnitude.

We drilled two directional relief wells, we pushed heavy material to the base of the well, and we placed a collector bell near the mouth of the well and that brings us up to the present moment, when the flow is practically under control.

I want to stress that, in this loss of control, there was no carelessness, which is why there is no responsibility; it was the result of the unsuspected potential of this deposit.

As I said before, it evidenced the expert knowledge of the petroleum workers, it calmed public opinion, and in the end it got all of us Mexicans used to the idea of talking in terms of big figures involved in an activity which is already one of the leading ones worldwide.

Refining

The demand for refined petroleum products, which exceeded the levels anticipated for various products, due to the extraordinary requirements of some sectors and, to a certain extent, due to exceptional consumption along the northern border, created the need for constantly increasing the volumes processed at an annual average growth rate of 9.3 percent.

This was achieved not only through the optimization of the available plant but also through increases in the petroleum derivatives production capacity as well as the expansion and addition of new refineries.

In December 1979, the crude and liquid products processing volume came to 1.1 million barrels per day, in other words, 42 percent more than in December 1976. It must be pointed out that, during 1979, the national plant for the first time dropped below the figure of 1 million barrels per day of refined crude.

The crude processing capacity has been increased by 31 percent over these past 3 years and the liquid products coming from gas were increased 78 percent. Thus, Mexico is among the world's 12 biggest refiners. This was possible due to the start-up of the first plant in the new refineries at Cadereyta and Salina Cruz, each of which is already continuously processing as much crude as the big refinery at Azcapotzalco.

On the other hand, we were able to make sure that the country would reduce its consumption of residuals by increasingly using additional natural gas produced and distributed with the support of the national natural gas trunk line system.

Parallel to that, and using Mexican technology, we modified the methods used for converting residuals into distillates, achieving an additional output of 48,000 barrels per day of high-grade products, instead of lower-priced residuals. In spite of the fact that we are today processing a large and growing proportion of heavier crude, coming from the sea, we are continuing to reduce the output of residuals in order to continue to promote the ever greater nationwide utilization of natural gas.

The basic objective in this branch of industry has been completely attained: we met the national requirements; we are processing all liquids; and we have even begun to export small volumes of refining derivatives, including growing quantities of liquefied gas.

Petrochemistry

The basic petrochemical industry development program is aimed at meeting the domestic demand and, in addition, to promote participation in the international market, either directly or through the export of products with a higher added value, whose subsequent transformation has been accomplished through the action of the growing petrochemical derivatives industry in Mexico. The development of the petrochemical industry will enable us to support the policies for industrial diversification, for the generation of new industrial development centers, and the creation of new sources of jobs.

In 1979, the processing of basic petrochemical products came to 6.3 million tons, in other words, a 60 percent increase compared to the output in 1976. In spite of this noteworthy increase, the supply of products in various important items continued to be below the demand on the domestic market, regardless of the incorporation of new plants whose completion was speeded up.

The voraciousness of the domestic market has caused a big gap between output and demand and we need an effort aimed at reducing it. This has

led to the opening, over these past 3 years, of 18 new petrochemical plants and 14 auxiliary processing units. On the average, one new plant was started up during every month of this 3-year period.

Right now, Mexican Petroleum operates the world's biggest ammonia production complex, as well as the likewise biggest individual plants. In this way we were able to make sure not only that Mexico would have sufficient nitrogen for agriculture but that it could also continue as an important exporter of ammonia worldwide.

For the first time we have been producing high-density polyethylene and we have substantially increased the processing capacity for sulfur, acrylonitrile, methanol, and ethylene.

In spite of the tremendous increase in national consumption, the development program spelled out by this administration is intended to coordinate the growth of this industrial branch with the growth of the demand in order to prevent the creation of a bottleneck for other sectors of the economy or for the country's balance of trade, which would happen if we did not respond to the sector dynamics with timely investments.

The rate of construction is impressive and we expect that Mexico, before another 18 months are over, will be self-sufficient and will even have exportable surpluses in most of the items in basic petrochemistry; we hope that; from that moment onward, the balance of payments computed for basic petrochemistry will always be positive.

Another important activity has involved the processing of natural gas. Parallel to what happened in other industrial areas, Mexican Petroleum has mastered the techniques of construction and operation and has successfully raised the level of plants to the highest worldwide level. The three installations which turn out most of the liquid products from natural gas in the world are located in Mexico and they are those at Cactus, in Chiapas, and la Venta, and Pemex City, in Tabasco.

Sales

The economic growth rate achieved by the country has brought about noteworthy increases in the domestic hydrocarbons sales volume which amounted to an annual rate of 8.5 percent over the past 3 years.

Domestic prices on energy sources are exceptionally low and this, combined with the low level of availability of those sources in other neighboring countries, has led to the illegal outflow of products.

During the 3-year period, international prices went up at an average rate of 21.4 percent, but domestic prices on Mexican fuels remained constant, which means that they have become cheaper in relative terms.

Looking at petrochemical products, the situation is more critical if we keep in mind the fact that the domestic demand in many cases exceeds the domestic output capacity which is why we must import them at high international prices in order to sell them domestically at subsidized prices.

As an example we might mention low-density polyethylene which, in the United States, is worth 20,240 pesos per metric ton, whereas in Europe the figure is 26,600 pesos, although PEMEX in Mexico sells it at 12,400 pesos.

Through this subsidy we guarantee the domestic prices on petrochemical products which are essential in meeting the basic needs of our people. In importing the volumes of those products which Mexico does not yet produce and in selling those products at prices lower than what it pays for them, Mexican Petroleum is apparently getting a bad deal. But the fact is that it is thus regulating the market to the benefit of the benefit of the final consumer of an enormous variety of articles and, in general, all inhabitants of the country. A rise in basic petrochemical prices would without exception have repercussions on many sectors of the Mexican economy.

As far as Mexico's foreign trade is concerned, petroleum sales predominate in the petroleum products export structure. Over the past 3 years, we went up from 34.5 million barrels in 1976 to 194.9 million barrels in 1979, representing an increase of 464 percent in terms of volume. We must mention that, in November 1979, we began to export marine crude which, in the trade, has been given the international name "Crudo Maya"; it is sold at a price slightly lower than that of light crude due to its different quality.

We repeat that policies for the export of crude surplus were guided by the diversification of the markets, beyond any speculation, with respect to volumes and prices agreed upon and adopting the method of dealing directly with refining companies of recognized prestige. Prices were always above those of the OPEC.

Right now, the following countries are customers of Mexico: Brazil, Costa Rica, Spain, the United States, France, Israel, Japan, Nicaragua, and Yugoslavia.

In addition to crude petroleum, we exported liquified gas and fuel oil whose foreign sales began in November 1979.

On the other hand, we have taken the first steps to benefit from the added value of our Mexican crude on the European market, acquiring a share in the Petronor refinery in Spain.

As we announced at the time, a natural gas supply contract was signed with companies in the United States. We got a reasonable price for this energy source and we set up a system of quarterly reviews, based on the same percentage by which crude petroleum prices vary on the world market. This supply operation began in January and, at current prices, signifies an annual income of 9 billion pesos.

As we said before, Mexico has been the country which raised the value of natural gas to the level of liquid hydrocarbons and it will continue to pursue this policy to the very end. Mexican Petroleum has already notified the gas companies beyond Bravo of its intention to revise Mexican gas prices.

Mexico will not get one penny less for the sale of natural gas to customers in the United States than the highest price which is paid for this item under comparable conditions by United States companies to other sellers. A system has been established to guarantee this situation for PEMEX.

Starting in March of last year, we began to export liquefied gas surpluses, although we continue to import it in lesser quantities across the country's northern boundary because of the advantages in terms of distribution. But we are already net exporters of liquefied gas.

Imports of petrochemical products have been greater than planned during the past 3 years, primarily because the demand exceeded the expectations. This means that the imports rose from 4.8 billion pesos in 1977 to 1.28 billion pesos in 1979.

The bottom line in the balance of trade involving petroleum products improved considerably over the past 3 years since it reached a figure of 135 billion current pesos during that time.

In 1979 the balance of trade was favorable to the extent of 79 billion pesos, ten times higher than in 1976.

The rate of construction and opening of new installations has multiplied Mexico's volume of equipment and material purchasing operations. During the past 3 years, we spent 120 billion pesos for this item. In 1979, we made purchases worth approximately 49 billion pesos, 53 percent of which went for import purchases.

We are adopting measures designed to achieve the total automation of our processing procedures involved in requisitions, requests, and checking on stockpiles in warehouses as well as transfers of material and equipment. On the other hand, in order to reduce our dependence on foreign sources, we have increased the facilities for domestic suppliers through the Domestic Manufacturing Promotion Department established for this purpose by PEMEX.

Undertakings and Works Projects Construction

The capacity of the Mexicans to handle engineering and petroleum construction is widely recognized.

Right now Mexican Petroleum is handling 93 percent of its engineering with domestic resources. Technology is 75 percent domestic and construction is totally handled by Mexican manpower and equipment.

To keep up with the growth of industrial installations, it was necessary to increase the labor force used in the engineering field from 2.6 million man-hours in 1976 to 3.8 million in 1979. This tremendous growth covers the entire area of domestic participation and implies a decline in our dependence on foreign suppliers in this area.

The investment necessary to do this job was made possible through the perfection of planning and construction systems. These changes, which had become indispensable a long time ago, made it possible for us to finish and place in service 516 major installations, of which 117 are concerned with the production of crude and gas, 67 are industrial plants, 169 are transportation, storage and distribution facilities, and 163 are supplementary and recreational facilities.

As far as capital goods are concerned, during the 3-year term, so far, we installed, on the average, one high-capacity compressor every 8.5 days; we laid 3.5 kilometers of pipelines per day with a diameter of up to 48 inches. We finished and placed in operation one industrial plant every 13 days; we put up one tank every 3 days and that is equivalent to increasing the storage capacity by 20,500 barrels per day; we built one housing unit for white-collar employees every 4 days and one unit for blue-collar workers every 12 hours.

Technological Resources

The development of industry cannot be separated from the advance of Mexican technology, otherwise we will continue to be dependent and that will limit us in technical and economical terms.

Consequently we have been trying in an increasingly more complete manner to make sure that the requirements of industry regarding technology will be met by the Mexican Petroleum Industry through the completion of studies and projects as a joint effort with our agency. In this way we have managed to develop, apply, and adapt the necessary technology in order to accomplish the functions connected with petroleum operations.

The prestige earned by this Institute in terms of technological advantages is to a great deal due to the development of patents for refining and

petrochemical processes which helps us save foreign exchange; besides, we may possibly get royalties from abroad.

The most eloquent results of domestic technological developments are manifest in the construction of the refineries at Cadereyta and Salina Cruz, including licenses for processing, basic engineering, detail engineering and supervision, with a domestic share of 99 percent.

We can thus see with satisfaction that the efforts made in our research and technological development program enabled us, that is the enterprise and the country, to be in a favorable position with respect to other developing nations in terms of technological dependence.

Ships, Pipelines, and Ports

An important item under the heading of construction has to do with pipelines and port facilities. Under current circumstances, these projects contribute to breaking the bottleneck which has been slowing down the development of our industry and the distribution of its products; this furthermore implies the opening of new possibilities of progress for vast regions in the country.

Fully aware of the problems of transportation facilities and concerned that the magnitude of its requirements might interfere with other areas of the economy, the petroleum industry has charted an overall strategy which we know under the name "Ships, Pipelines, and Ports."

By using coastal vessels and scows as well as the construction of pipelines, we are trying to improve efficiency for the sake of our consumers and for the smooth operation of PEMEX itself; at the same time we want to relieve the burden on other traditional means of transportation such as highways and especially railroads.

The strategy thus mapped orients the heaviest transportation flow toward the sea, making for a congruent and speedy connection between the point of origin and the point of destination and reducing the number of land transportation units required by the agency, particularly in the zone of the Highlands.

For this purpose we are currently constructing very important facilities at Dos Bocas, Tabasco; Cayo de Arcas, in the Campeche probe; Oxtion, in Veracruz; Altamira, Tamaulipas; and Lazaro Cardenas-Las Truchas, Michoacan. This policy is quite in line with the criteria of decentralization of the present administration; we no longer believe that the Highlands must necessarily be the center of our activities; instead it is necessary to distribute these activities in a more balanced fashion.

In this way we are promoting the development of regions which have so far been left out of many of our progressive efforts and we are utilizing manpower and material resources which were not included in the interests and the programs of the majority of the Mexicans.

In stimulating the economy in the coastal zones, Operation "Ships, Pipelines, and Ports" is doing a tremendously important job designed to prevent, as we said, congestion in the traditional transportation systems and provide smooth operation by PEMEX.

Support Country's Development

Over the past 3 years, the activity of Mexican Petroleum has had a tremendous effect on the country's economy, both on the sector level and in the geographic areas in which it operates.

We must look at the PEMEX contribution to the makeup of the industrial sector through the timely and cheap supply of industrial petroleum products, especially for the electrical, transportation, and manufacturing industries.

We could mention many comparisons between domestic prices on Mexican Petroleum products and prices charged in other countries for similar products. In Brazil, gasoline costs 25 pesos per liter, in Spain it costs 17 pesos, and in Great Britain likewise 17 pesos. In Japan the price is 16 pesos and in the United States it is 6.49 pesos, whereas in Mexico we purchase it from the gas stations at 2.80 pesos.

Diesel is another eloquent example. A liter of that fuel in Brazil is equivalent to 8.63 pesos; in Spain it costs 7.29 pesos, in Great Britain 11.24 pesos, in the United States 6.10 pesos, and in Japan 8.81 pesos. In Mexico, on the other hand, it costs us 1 peso per liter.

The countries mentioned are simply points of reference. Diesel, in reality, is much cheaper for Mexican consumers than practically anywhere else in the world.

As for the permits granted for the operation of the secondary petrochemical industry, in 1977 they only involved something like 100 million pesos, in 1978 the figure went up to 150 million, and in 1979 we arrived at the impressive sum of 15 billion pesos. This reflects the absolute confidence which the current administration has brought about in the country from its very beginning and which it managed to strengthen through its actions. Like all plants of an industrial character, these plants will take time to build and we will not get to feel their effects until the next 2 or 3 years.

On the other hand, we must mention the request which Mexican Petroleum addressed to Astilleros Unidos in Veracruz, for ten vessels of 45,000

tons each. We believe that this operation is a very positive thing for the shipyards and that it will in general contribute to the progress of that part of Mexico.

Problems have come up during this period of time with relation to the use of land for petroleum operations. These problems were solved through strict implementation of the law and taking into account the interests of those involved; during those past 3 years, this necessitated spending 975 million pesos for indemnities or as payments for expropriations, occupation, and acquisition of land, as well as damage to various pieces of property.

The petroleum industry is committed to an effort to preserve the environment and to do that it has invested something like 8 billion pesos. These investments have been devoted to the establishment of systems preventing pollution deriving from waste and the construction of installations to protect the environment against any kind of pollution which may at one time or another have been caused by our activities.

PEMEX Workers and Their Labor Unions

Mexican Petroleum was able to survive initially, to grow, and to reach its current dimension, independently of the leaders and the support of the revolutionary governments, due to the capacity, hard work, and determination of its workers, technicians, and managers.

We must make special mention here of the outstanding role played by the petroleum workers union in the process of nationalization of this industry and its smooth operation.

Based on the suitable conditions created by President Cardenas, with his policy of national dignity, the labor union launched its struggle in defense of the workers and in support of the historical decisions to recover the country's petroleum wealth.

It was the union which took upon itself the grave responsibility of putting together this incipient industry and making it work.

From the union came intelligent and tenacious men who, correctly coping with the circumstances, filled the technological vacuum left by the expropriated companies.

After getting through that difficult phase, the labor union promoted the hiring of new engineers who, with the passage of time, came to constitute a solid technical-administrative team.

The petroleum union obtained not only fair pay through wages, but, beyond that, it managed to see to it that the living conditions of the workers would be improved.

The union's gains are expressed in the overall development of the worker and his family in the areas of health, education, housing, and recreation.

The union and the enterprise devote special attention to housing. Plans and programs are now being executed which are aimed at completing and handing over 15,000 homes to the petroleum workers during this 6-year term. So far, 4,000 have been built.

The health of the workers in this industry and their families is protected through services rendered by 262 medical units, of which 202 are administered directly and 60 are contracted. We have a central hospital, five regional and eight auxiliary hospitals, and we are building one satellite hospital in Mexico City plus various out-patient facilities and clinics.

We have kindergartens in the principal localities where Mexican Petroleum operates and in 1979 they took care 3,000 children.

PEMEX operates 42 primary schools, under the provisions of Article 123, with 50,000 pupils. Another 10,834 students are in the various academic grades of the open-admissions education centers.

Our system of scholarships for workers and their children continues to function satisfactorily; special interest has been devoted, in support of the union, to protection for the purchasing power of worker's wages through consumer shops which are open in most of the system's work centers.

For more than 10 years, the union has been asking for the construction of a dike which would make it possible to repair the agency's maritime fleet completely on national territory.

For various reasons, primarily of an economic nature, the solution to this proposal has been postponed; last year, an attempt was made to solve this problem through a commitment to build the installations necessary on the left bank of the mouth of the Panuco River, using methods permitting efficient profitability of this dike. Among others we might mention the agreement also to repair private, domestic, and foreign vessels.

In this way we are fulfilling an old and legitimate aspiration of the petroleum worker union and this project is also providing new direct employment opportunities, both in terms of construction and in terms of future operation; thus we see that this dike will have repercussions on a series of indirect activities and, most importantly, it will provide impetus for the training and development of Mexican workers.

Finances

During the period of 1977-1979, the agency's revenues came to 376 billion pesos, 67 billion more than the amount originally estimated, primarily due to the increases in volume of domestic sales and in the volume and value of crude exports.

The agency's contribution to the federal treasury increased from 8 billion pesos in 1976 to 47 billion in 1979; in 1980 it should increase even more.

The 1979 income came to 184 billion pesos; that was 273 percent more than in 1976.

After taking care of expenditures for operations, commodities for resale, interest payments, and others, we obtained a current saving, before taxes, of 97 billion pesos, earmarked for the payment of federal taxes to the extent of 47 billion pesos while the rest will go to finance 60 percent of the investment program.

Over the past 3 years, 182 billion pesos have been invested; foreign financing on the average represented 34 percent of the investments made during that period of time.

Thank to the excellent prospects of this industry, this financing was negotiated and secured under the most favorable interest rates and repayment term conditions--all of this within the limits of indebtedness established for the agency.

Although Mexican Petroleum does not have the primary mission of making a profit, since it is a public agency in the service of the country, I believe that it is a good idea to point out that we are operating in the black.

Prospects

The history of Mexican Petroleum began during this century. Our first oil field of commercial dimensions was discovered on 3 April 1904 in Eban, San Luis Potosi.

The concepts for the incipient industry revealed the doctrinal struggle which the revolution had just resolved in favor of the people.

Article 4 of the 1892 Mining Law stated that the owner of the land could freely, without need of any concession, exploit certain mineral substances, which included oil; and the 24 December 1901 Petroleum Law introduced the system of concessions but only in relation to deposits located on land

belonging to the nation or uncultivated land. The hydrocarbons which are in the subsoil of private properties continue to belong to the owners of those properties, without any further ado. There was no restriction on hydrocarbon exports whatsoever and the industry was tax-exempt for 10 years.

The revolutionary concept erupted in the midst of this panorama of passive government attitude through the promulgation of the 1917 Political Constitution whose articles declared that the nation had direct control over resources, such as petroleum, and that this control is inalienable and cannot lapse. The text of this precept, as we know, is even more categorical since it definitely excludes concessions.

Petroleum therefore is the property of the nation and only the nation can exploit it; it belongs to each and every one of us and it belongs to the generations of fellow citizens to follow us.

Mexico has always considered petroleum a factor in economic independence. The world panorama in our time corroborates that. Having petroleum--for any nation--is a circumstance on which the possibility of growth depends; it is an urgent need for any modern society. There are countries which do not have any hydrocarbon deposits even though they do have the economic capacity to purchase them and to utilize them. Others, which do have deposits, must confine themselves to selling this resource in the form of a raw material.

Hydrocarbons have been experiencing a process of growing value from the international viewpoint which, first of all, helps those countries. Reflection on these nations, on the one hand, and on energy sources, on the other hand, is inevitable; but this also applies quite generally to the raw materials which the developing countries export to the industrialized countries. In proposing to the United Nations the drafting and adoption of a worldwide energy plan, the president of Mexico talked about the necessary upgrading of these materials. It is necessary, he said, to break the bogged-down scheme of current prices which implies injustice, disequilibrium, and conflict.

Getting back to our topic, I must add that Mexico, thanks to the vision of the 1917 constituent assembly members and the act of juridical and political dignity by President Cardenas, not only has its own petroleum but that it has indisputable sovereignty over it. Thanks to the actions of the successive revolutionary governments, it exercises this sovereignty in a rational and constructive manner and it employs this resource for the purpose of generating wealth at home.

The revolution has built the juridical framework and the institutions which will make it possible to combine liberty and justice. We are governed by a constitution which harmonizes individual guarantees with social guarantees.

Petroleum means wealth and justice assumes its greatest significance when there are sufficient goods and services to be distributed, when society provides real, concrete and tangible opportunities and security for the individual. And this cannot be achieved amid penury but rather only amid abundance.

We know that abundance does not solve problems but rather that it even creates some new and very tough ones. The first of these involves its management. We must get used to handling abundance, we must achieve calm and clarity which are indispensable in managing the facts which petroleum wealth brings with it.

We Mexicans of this generation have a duty--with respect to the generation of our children and those of our children's children--to utilize this economic situation and condition and to employ petroleum wealth for the sake of our development.

We are usually thinking in terms of 20 years with relation to the existence of the worldwide petroleum structure. After that time, petroleum will continue to be worth something but we cannot visualize the terms in which it will be located within the international economy. Our epoch, through which we are living at this moment, which we are accustomed to viewing in accordance with criteria deriving from our technological civilization based on hydrocarbons, will have to pass on inexorably.

The world will be governed by other categories. Energy will take on new forms and will come from sources which today look like mere theoretical possibilities.

The bottlenecks which have emerged in Mexico over the past 2 years reveal economic recovery but they are also indications of the need to increase public investments and in this way to strengthen the infrastructure. We must channel voluminous resources in an orderly and intelligent fashion toward industry, agriculture, animal husbandry, mining, fishing, forestry, and transportation, among others.

The absorption capacity must be calculated on the basis of the development projects that are launched and also as a function of the speed with which we accomplish those projects and the order in which we arrange our resources.

Several days ago, the president of the republic made a distinction between efficiency and effectiveness. We are effective, he said, because we have the capacity to do what we propose to do. On the other hand, we are not usually efficient because this accomplishment does not always materialize in the best fashion, nor is it in keeping with the resources, the pace, at the time demanded by our necessities.

From this angle, the problem of resources absorption becomes a matter of imagination and the spirit of accomplishment which enables us to conceive projects and to tie them in together within the grand national undertaking; this also means being ready to make optimum use of time, and having clear objectives ready to pursue. In summary, there is a big efficiency challenge here which perhaps will be the key to our future.

We have absolute confidence in the intelligence of the Mexicans, in our capacity to sacrifice which does not allow us to shy away from obstacles. These qualities are those which, down through the years, through misfortunes and vicissitudes, have always enabled the country to forge ahead. Right now, at this point in time in the 20th century, it is necessary for us to combine our intelligence with our efficiency. Efficiency, here and now, is a moral virtue. It is not only a technical quality but it is intimately tied to the determination to get things done.

Looking for our roots, we find that our ancestors built great nations whose monuments astonished the Europeans at the time and we ourselves are deeply moved by them as we can see from our archeological discoveries. If we were able to do it in the past, when conditions were more difficult, how could we fail to do it now, that we are the masters of enormous potential resources?

In the petroleum industry, in just 3 years, under your guidance, Mr. President, we have built a new Mexican Petroleum. The accelerated work pace has increased the resources absorption capacity, turning necessities into projects and accomplishing them as we progress with our work. This is what we have to do in order to win the game in time.

We at Mexican Petroleum believe that we can echo the confidence which the chief executive aroused in all Mexicans in recommending that we be determined in continuing to do our duty in the service of the country and our faith in efficiency which we must achieve, not in an isolated manner, but harmoniously, all of us together, at all times and in all activities.

Petroleum in the subsoil is a valuable asset which we cannot possibly let go of as the nation's heritage. But that petroleum, since it is located in the subsoil, requires operations for its exploitation which extend over many years. To make sure that the country's manpower capacity in meeting the requirements of its own development and within the international petroleum context will be as big as possible, we should perhaps think of gradually increasing, not exactly our output, but our production capacity. In that way we would have the benefit of sound flexibility in a world which is becoming more and more rigid every day, more convulsed, a world where many countries find that their growth possibilities are being wiped out.

We, the blue-collar workers, white-collar employees, and technicians of Mexican Petroleum are prepared to do our duty and to attain the goals that were set for us to the benefit of the majority. We fully subscribe to the view that Mexico must not be a petroleum country but rather a nation with growing petroleum resources which will help support economic development with liberty and social justice.

Mr. President, we, the petroleum workers, respectfully ask you that you continue to support us, as you have done from the moment you were nominated as candidate for the office of president of the republic, in order to continue to work tirelessly for the construction of that Mexico which we can already see emerging clearly in outline on the horizon.

5058

CSO: 3010

OFFICIAL SAYS PEMEX MAY INCREASE PRODUCTION

Mexico City EL SOL DE MEXICO in Spanish 1 Mar 80 p 1-B, 3-B

[Text] Eng Antonio Montes de Oca, assistant PEMEX director for planning and construction, has stated that Mexico's oil reserves are large enough to allow for greater production than the 2.25 million barrels per day planned for the middle of the year, but the decision will be made at the highest level.

The official said also that the efforts to stop the Ixtoc I oil spill are "close to their goal," but he declined to set the deadline of a week for resolution of the problem. Also he said PEMEX will invest 50 billion pesos this year. He said the only prudent prediction is that the end of the Gulf of Mexico oil spill is near.

Montes de Oca was interviewed at the end of the ceremony organized by the Mexican Mechanical and Electrical Engineering Society in order to present awards to Montes de Oca and to Engineers Juan Celada Salmon and Carlos Vallejo Marquez.

Montes de Oca received an award for his present work in PEMEX, and Celada Salmon and Vallejo Marquez received, respectively, the national engineering prizes for design and for teaching.

The PEMEX official was asked if the firm's installations can handle greater production than 2.2 million barrels per day; he said they can.

He explained that the nation's reserves are quite large and can meet our needs for many years even if the rate of production goes up.

However, he emphasized, the decision has not yet been made and only the president will make it, based on changing economic needs indicating the desirability of producing more oil.

Regarding controlling Ixtoc I, he said the work is nearing completion and soon there will be positive results.

Also it was mentioned that PEMEX will make investments this year totaling 30 billion pesos.

Montes de Oca said these resources will be used for various programs, especially the expansion of the refineries at Cadereyta and Salina Cruz, as well as the completion of La Cangrejera.

11,989

CSO: 3010

MEXICO

COMERMEX PROJECTS INCOME, OTHER GROWTHS

Mexico City EL DIA in Spanish 10 Mar 80 p 7

[Article by Carlos Fernandez: "COMERMEX Says Per Capita Income Will Reach \$3,000 in 1982"]

[Text] Thanks to the financial self-sufficiency which Mexico will reach soon and as a result of the sharp rise in investments both public and private, the nation's economy may grow at a rate of between 9 and 10 percent as an annual average within 2 years.

This estimate was developed by the Economic Research Division of the multiple service bank COMERMEX. If the estimates are accurate, the 1982 gross national product will reach \$130 billion. If the downward trend in population growth continues, the per capita income will go up from \$1,338 to \$3,000.

The value of fixed real investments will reach 150 billion pesos in 2 more years, a substantial increase, since the 1979 figure was 106.7 billion pesos. The 1982 total breaks down to about 85 billion for the private sector and the rest for the public sector.

Regarding the growth of the gross national product, the COMERMEX Economic Research Division says that the GNP for 1981 will be \$116.8 billion and by the end of the decade the figure could reach \$279 billion.

In order to measure the real meaning of this growth, it helps to keep in mind that the population will grow from 71 million in 1979 to 92.1 million Mexicans in 1990.

Also, the study notes that Mexico will gain in foreign trade income because of oil exports, which it is estimated will reach \$8 billion in 1980 and \$13.5 billion in 1982. According to these projections, over 12 years Mexico will show foreign oil sales growth from \$38 million for 1970 to \$13.5 billion for 1982.

Also there were comments on the balance of payments. Though it is believed that oil exports and the domestic production of goods and services will put Mexico into the black, the charts prepared by the Research Division show imports growing from \$12.5 billion for 1979 to a projected \$25 billion for 1982. Exports will total slightly less.

Lastly the study mentioned that manufacturing showed a significant rise, especially petrochemicals and metalworking, with average monthly rises of an estimated 19 and 15 percent, respectively.

11,989

CSO: 3010

EXPANSION OF CANTARELL FIELD PLANNED

Mexico City EL DIA in Spanish 11 Mar 80 p 7

[Text] Crude oil production has passed 2 million barrels per day and has practically reached the goal of 2.25 million because of the Campeche field's increase from 230,000 to 430,000 barrels daily for the seven sub-fields, according to an announcement from PEMEX.

It was stated that the field, with almost half a million barrels per day, is one of the nation's most important sources of supply.

It was noted that an important factor in the Campeche productivity was the application of an exhaustive exploration program in the area and the high technical level of the program, which resulted in the discovery of deposits at Cantarell, Akal, Nohoch, Maloob, Abkatun, Intoc and Ku, known worldwide for size and enormous productivity.

Fields discovered until now will be developed in two stages. During the first, 16 drilling platforms will be set up, with 5 providing a total of 7 wells, and 11 bearing 12 wells each. These platforms will drill a total of 167 wells constituting the Cantarell complex and the sub-fields of Abkatun and Maloob.

The Cantarell complex will comprise fields at Akal, Chac and Nohoch. Beginning in October 1979, this area produced more oil than the Poza Rica district.

Technical estimates set the proven Cantarell reserves at 10.4 billion barrels, with probable reserves at 20 billion barrels.

Studies in the Gulf of Campeche over an area of 8,000 square kilometers have shown productive activity over 1,500 square kilometers.

PEMEX officials have emphasized that this is an oil find of prime world-wide significance. The oil-bearing strata are up to 1,300 meters thick and are located between 1,200 meters and 3,600 meters from the surface.

In this field there are wells with a daily production of up to 42,000 barrels, such as Akal.

Also about 40 geological formations have been detected in the area. Drilling into 11 of them led to the discovery of the 7 sub-fields mentioned.

PEMEX noted again that these finds are remarkable in comparison to anything in the world. The North Sea fields, for example, produce less; Norway's Ekofisk produces 254,800 barrels daily; Great Britain's Forties produces 300,000 barrels daily. Both were discovered and placed on line 10 years ago.

Also, the Campeche production is by itself larger than the total for Brazil and Ecuador, PEMEX noted; Brazil obtains 160,000 barrels daily from its wells and Ecuador 200,000, combining to a total of 360,000 barrels.

11,989

CSO: 3010

MEXICO

INDUSTRIAL PORT PLANNED FOR ALTAMIRA AREA

Mexico City EL SOL DE MEXICO in Spanish 12 Mar 80 p 1-F, 6-F

[Text] Tampico, Tam. (OEM)--The Altamira Industrial Port has been designed to accept ships of up to 100,000 tons and also can be used by a great variety of small and medium sized vessels which have an important role in commercial supply. The project will cost 150 billion pesos.

This was learned from a report by Julio Rodolfo Moctezuma, coordinator for development planning for the Mexican presidency, and referred to in his official bulletin from the National Finance Agency.

In this bulletin special note is made of the official figures announced by Mr Moctezuma during the regular general assembly of the Ports Coordination Committee held in Veracruz, Ver. last February, referring to the plans for three industrial ports at Laguna del Oction, near Coatzacoalcas, Ver., north of Tampico (Altamira) and near the Lazaro Cardenas port in Michoacan.

Regarding the Altamira project, he noted that the entry canal will be from 400 to 500 meters wide and the boats will have direct access to the industrial parks.

This port has good connections with Monterrey and Mexico City, ready sources of raw materials, oil and gas, technical schools, universities and facilities for training of qualified staff.

11,989

CSO: 3010

BRIEFS

DEVELOPMENT PLAN TEXT ON SALE-The 1980-82 Global Development Plan is contained in two volumes, paper bound, with a total of 370 pages. This supplement contains a summary thereof. If you wish to obtain the complete document, you may request it by sending a check or money order for 300 pesos to: Secretariat for Planning and Budget, Office of Information and Public Relations, National Palace, 4th Floor, Mexico, 1, D. F. [Text] [Mexico City EXCELSIOR in Spanish 20 Apr 80 Special Supplement p 15]

CSO: 3010

NICARAGUA

MAP-FSLN CONTROVERSY DISCUSSED BY PRISONER

Managua LA PRENSA in Spanish 3 Mar 80 p 12

[Article: "MAP Member Discusses Movement's Ideology, Position"]

[Text] In his statement of personal circumstances [age, civil status, business or occupation, interest in the case, etc., required of all witnesses], responding to the accusations against him in the Managua District Criminal Court of first instance, prisoner Ricardo Alberto Guevara Lanzas said, "I am of age, single, a professional communist revolutionary, and domiciled in this city."

Guevara Lanzas is one of the five defendants in proceedings brought by the assistant criminal district attorney in Managua, Dr Games, on charges of unlawful possession of weapons, disruptive and divisive propaganda, and attempt against the security of the state.

Prisoner Guevara Lanzas admitted to being a member of the MAP [Popular Action Movement] and said he had held conversations with Maj Jaime Wheelock in September 1979, seeking a unitary agreement with the FSLN [Sandinist National Liberation Front] after the latter had unleashed a campaign against the Workers Front and the MILPAS [Anti-Somoza People's Militia].

He stated that at that meeting the FSLN representative had said to him that there could not be two vanguards and that agreement must be reached on dissolving the Workers Front and having it join the CBT [Sandinist Workers Federation]. Guevara Lanzas asserted that Marvin Ortega and Alejandro Ortega, both of whom had attended the meeting also as MAP delegates, had witnessed that conversation.

Guevara Lanzas affirmed, "Our position (meaning MAP's) at that meeting was that unity could be achieved along concurrent strategic lines, but we were unable to make any headway along such lines because the FSLN National Leadership insisted that we must have faith and confidence in that body, submit to its leadership, and dissolve our masses front."

Guevara Lanzas stated, "The FSLN operates pragmatically. All its decisions are made by its National Leadership, which, ideologically, is eclectic. And since we are not in agreement with its criteria, it is trying to rout us. This is the basis of this proceeding."

Farther on in his extensive response to the charges brought by the attorney general's office, Guevara Lanzas states that for the members and militants of the MAP, revolutionary dictatorship of the proletariat, from the economic standpoint, stands for collectivization of the means of production, and these means are still for the most part still in the hands of the monopolistic bourgeoisie and of the landholders allied to imperialism.

In his statement, Guevara Lanzas shows off his knowledge of Marxism-Leninism, quoting from memory a passage by Frederick Engels taken from one of the latter's writings on the Commune of Paris on its 20th anniversary in 1891.

Still farther on in his long statement, the prisoner recognizes that the National Reconstruction Government and the FSLN have adopted substantive popular measures of importance.

In the final section of his statement, the prisoner analyzes the charges brought by the attorney general, asserting he has committed no crime of any sort.

He says he will go on a hunger strike upon presentation of his statement and until cessation of the persecutions against his organizational comrades and the release from prison of the newsmen and publishers of the DIARIO DEL PUEBLO. He concludes saying he assumes his own defense.

9399

CBO: 3010

NICARAGUA

VIOLETA CHAMORRO RESIGNATION LETTER MADE PUBLIC

PA231408 Managua Domestic Service in Spanish 0330 GMT 23 Apr 80

[Violeta Chamorro letter dated 15 April 1980 addressed to fellow government junta members Moises Hassan, Sergio Ramirez, Alfonso Robelo, Danilo Ortega and junta secretary Emilio Baltodano—read by Mrs Chamorro]

[Text] Dear friends and companeros:

During the meeting we held on Wednesday, 9 April, at the office of Doctor Hassan, I told you that for health reasons I was finding it increasingly difficult to continue working on the junta and that I was considering the possibility of resigning. Really, my health is precarious. I feel very tired, both physically and mentally. I think all of you know that I have been suffering for over 20 years from a spinal cord ailment which is increasingly troublesome and painful. My right leg has been affected by a spinal nerve problem. I have had several falls because of this, which have resulted in fractures in my hands in the past. This Wednesday my right foot was broken by a similar accident.

I have given a great deal of thought to my decision to resign from the junta, particularly because I realize I undertook a commitment with the people when I agreed to become a junta member. I have tried to fulfill this commitment completely, and although I have lacked strength sometimes, I have tried to go on time and time again.

I do not want anyone to believe that my decision stems from political reasons or anything like that. I support the process of changes we have been promoting and the only thing prompting me to adopt this decision is my health.

Therefore, I ask you to understand my situation, which is very special. I would not want my decision to affect the progress of the revolutionary process in any way and I ask you to talk with me very sincerely in this regard so we may jointly seek a solution and select the most appropriate moment for me to put my decision into effect. I greet you fraternally. [signed] Violeta.

CSO: 3010

AGRARIAN, RURAL DEVELOPMENT MECHANISMS EXPLAINED

Agrarian Planning Department

Managua BARRICADA in Spanish 16 Mar 80 p 10

[Text] One of the basic departments for agrarian reform development is the Department of Agrarian Planning, which is operating within the framework of the Nicaraguan Institute for Agrarian Reform [INRA].

This department was established specifically for the purpose of engaging in sectional planning promoted through what has been called the Economic-Technical Plan, which covers regional and AGROINRA delegations, in addition to setting a number of directive goals for the private sector.

For better implementation of this plan, the department has been divided into sections:

Economic Planning

This section is responsible for a large number of investment plans:

- a) agricultural and livestock production: covering permanent and temporary crops, as well as the movement of livestock herds. In this plan there is a sector called "Agricultural Promotion," which specifically plans the development of both nurseries and animals earmarked for breeding.
- b) Investments: including the planning of production buildings and infrastructures for physical development, such as the planning of buildings for social improvement.
- c) Labor force and wages: provides guidelines for the number of permanent and temporary workers needed for the implementation of agrarian reform.
- d) Investment plan for mechanized operations: which also includes technical training as well as program planning for the principal agricultural indicators.
- e) Planning: for the purpose of restoring balance between expenditures and income of the production elements of each production unit.

Data and Statistics

The purpose of this section is to gather statistical data from the agricultural-livestock sector. It has established a system which, on the basis of category, has centralized weekly, biweekly, etc. reports of all production activities of the INRA: this section is responsible for the design, implementation and operation of statistical systems.

Projects

This section conducts studies ranging from project descriptions to feasibility studies. There are integral rural development projects as well as projects covering the introduction of specific crops. Projects are justified from the economic and social standpoint.

Physical Planning

The physical planning section deals with the territorial organization of production units, peasant settlements, construction of the production buildings of the production units, design of roads, bridges, etc.

Social Planning

Basically, this section is responsible for wages and suitable methods for increasing the level of direct benefits of workers. One of its principal responsibilities is also improvement of the living conditions of workers, through coordination with the various ministries.

The Department of Planning of the INRA has close ties with the Ministry of National Planning, as it works under its methodological guidelines and very particularly with the Livestock Department of the Ministry of National Planning.

Rural Development Program

Managua BARRICADA in Spanish 16 Mar 80 p 4

[Text] With the positive advance of our revolution, a new activity has been initiated in the countryside consisting in the organizing of the peasants to ensure their incorporation in production and their participation in activities which raise their level of health, education, political relations, civic training and cultural edification. To this end, the Integral Rural Development Program (PRODERI) is being implemented in cooperation with the INRA [Nicaraguan Institute for Agrarian Reform] and with the participation of the ministries of education, health, social welfare, labor, agricultural-livestock development, housing, transportation and public works, and the Agricultural Workers Association. Each ministry is responsible for matters which fall within its purview. Taking into account the high rate of mortality among children under 5 years of age, the ravages which cause malnutrition in children who survive

(retardation in physical and mental growth, decreased creative work productivity in adulthood), ravages which will be visible and will impact on the future of our society, the INRA and the Ministry of Health have begun to implement the PRODERU, whose general objective is to contribute to the social well-being of our people, by promoting and carrying out actions designed to improve all peasant nutritional levels. The planning units in every ministry are designing plans for the operational control of rural development activities, which will be principally: agricultural-livestock production, economic orientation and organization, activities designed to improve the health conditions of children, cultural promotion and activities of support for the guidance and training of farmworkers.

R143

C30: 3010

FIR DIRECTOR GIVES VIEWS ON RECONSTRUCTION

La Gaceta BARRICADA in Spanish 7 Mar 80 pp 1, 14

[Interview with Alfredo Cesar Aguirre, director of the International Fund for Reconstruction; date and place not given]

[Text] Our people should be informed of how imperialism operates and what it means for the Nicaraguan Revolution; how we are able to overcome its forms of domination, its intrigues; how we can be more effective in our work, the basis of the new economic structure of our liberated country.

BARRICADA talked with the minister-director of the International Fund for Reconstruction [FIR], Compañero Alfredo Cesar Aguirre, to inform our people on this subject.

[Question] How is our dependence on imperialism structured?

[Answer] The dependence which imperialism imposes on our country and on all underdeveloped countries is of three classes: economic, financial and technological.

Economically our independence consists of what we buy and sell to imperialism. For example, all of our meat production is sold to the United States because that is the "natural" market and also because there are no alternate markets for this operation.

The same is true of our production of shrimp and lobsters which is increasing with the development of fishing. However, in addition to being the "natural" geographic market because of its proximity, transportation and shipping are more accessible and cheaper than if we were to sell these products in regions more distant from Nicaragua.

[Question] What do we buy from them?

[Answer] The industrialized countries, the big capitalist countries, are our suppliers of machinery; we have to buy from them because in the first place all the machinery we inherited from Somoziism is of American manufacture; and we have to continue seeking spare parts in their markets because we cannot discard our machinery from one day to the next. The cost of transportation also has an impact on the purchase of machinery.

[Question] Under what system are we buying our raw materials?

[Answer] Imperialism has set up a system of purchase prices on a worldwide basis for the raw materials produced by countries with agroexport economies, the underdeveloped countries.

They have monopolies on the purchase of raw materials and, therefore, set prices as they see fit. These prices do not reflect what it cost in human effort to produce the raw materials.

In this manner, almost direct exploitation is being exercised on the working classes of countries which produce these raw materials by purchasing their products cheaply.

It is important to realize that imperialism is taking advantage of the division among the underdeveloped countries which have never reached an agreement to set sales prices as a united front. Imperialism winds up by imposing its prices; however, it would be logical for us, the producers of raw materials, to be the ones to set prices.

Only in the case of coffee does a different phenomenon exist, because, when prices fall, Brazil withholds its production until sale prices rise. However, Brazil is the number one world producer of coffee; what is more, coffee is not grown everywhere in the world.

In the case of minerals (gold, silver, copper, etc.) and cotton, the same thing does not occur.

[Question] What form does our financial dependence take?

[Answer] First, one must know where the surpluses of the capitalist countries wind up, because they are the only countries which produce surpluses. Countries like our own use all the foreign exchange they receive for their products to purchase new machinery and other articles, which we do not produce, from the capitalist countries.

Then what imperialism does is recirculate those surpluses obtained from the processing of our raw materials and move them to poor countries through the mechanism of the commercial banks which charge extremely high rates of interest, as well as through international institutions, such as the World Bank, IDB, AID, etc.

Although it is true that the loans obtained through these international banks are cheaper than those secured from commercial banks, such loans are protected by a clause which stipulates that the purchase of machinery financed with a specific loan has to be made by bids open to all countries of the world.

But, naturally, the country which is going to win in the bidding will be that country which has the most advanced technology; i.e., that selfsame imperialism, which, after "making the loan," forces us, by means of that same loan, to buy from them. Let us say that we get cooked two ways with that single clause.

It is, therefore, a vicious circle created by imperialism, added to the fact that interest is paid on the money loaned.

For example, the \$75 million, now frozen by the Americans, is part of those surpluses, part of the wealth which our raw materials has given to imperialism.

That is because the wealth of imperialism comes from its colonies and neo-colonies, as was Nicaragua in the time of the criminal Somoza.

Another of the unabashed maneuvers of imperialism is that the taxes for exploitation of our resources, that is our gold and silver mines and our lumber, are collected in countries where such companies have their bases of operations. That is, our raw materials are removed from here but the taxes are paid there.

[Question] And who are the owners of those loan banks?

[Answer] In the first place, the selfsame United States, FRG, England, Japan and France which determine to whom and in what form loans are to be made.

[Question] How is our technological dependence manifested?

[Answer] Imperialism has imposed as a "rule," as a "standard," that those countries, as the sole consumers of raw materials, have the exclusive right to develop technology, to produce machinery.

Therefore, they transfer increasingly less technology to us to put a brake on the development of industries in the poor countries.

For example, when the plan for the integration of Central America and the area Common Market came along, so-called "advanced technology" plants were installed throughout the region to produce in turn "advanced technology" articles.

However, instead of installing advanced technology machinery, they installed machinery which had been discarded for 20 years in the capitalist countries. That is the way they give us "technology." In Nicaragua we have the case of the caustic soda plant which is producing with old machinery. Production with old, discarded machinery is more costly, although we have cheaper manpower than those selfsame capitalist countries. That is because the more advanced the technology, the cheaper the production. That maneuver also is keeping us from leaving the so-called Common Market with our products which are not competitive and cost more to produce here than in the United States itself. The maneuver is also designed so that our companies will not compete with the companies of the big multinational organizations.

[Question] How can we free ourselves from that economic, financial and technological oppression being imposed upon us by imperialism?

[Answer] The more we produce and save, the less money we will have to borrow from abroad. Domestic savings is something vital because it permits our development at a quicker pace.

Money from savings can be reinvested or used to purchase machinery for production or can be loaned to anyone having a greater capacity for investing it. When savings are large, the possibilities of domestic investment are strengthened. In this way, we can make progress toward being less dependent on borrowing.

At the outset, moreover, we identified agroindustry as our natural potential; however, this means providing a better manufacturing process for our raw materials.

At present, the Reconstruction Government, within the framework of the state's new economic concept, is attempting--instead of exporting our cotton unprocessed--to develop a plant which will give us cotton thread, the material needed to produce our clothing: sheets, towels, shirts, pants, etc.

Even now, we are buying thread, the raw material [sic], while on the other hand we are selling cotton abroad with an enormous difference in price between what we sell and consume.

Therefore, one of our ways out is to increasingly continue industrializing our raw materials produced in the countryside.

[Question] Which capitalism is more aggressive, that of America or Europe?

[Answer] The immediate objective is to make ourselves independent of American imperialism because, historically, it has been proved that the foreign policy program of the world capitalist sector has been less harmful to Nicaragua than American imperialism.

With the new world situation which has developed, American imperialism continues to be harmful. European imperialism is less influential politically in Nicaragua.

The best proof of this is that in the last few months, after the war of liberation, millions of dollars from the European capitalist countries which follow a social democratic line came into the country; and they did not impose, specifically in the case of the \$75 million.

American imperialism is attempting to continue intervening politically in our country through the dominant economic mechanisms. Therefore, we will seek a way to turn to Europe, including the socialist camp, and to other underdeveloped countries.

8143
CSO: 3010

PERU

BRIEFS

SU-22 AIRCRAFT PURCHASE--Peru, one of the Soviet Union's principal customers, has just ordered a second lot of 16 SU-22 variable geometry combat aircraft. This decision was probably made as a result of Chile's decision to buy some Mirage 50s. Under the terms of the agreement, the cost of the 16 SU-22s (about 120 million dollars) will be paid in 12 years at an annual interest rate of 2 percent. [Text] [Paris DEFENSE INTERARMES in French Apr 80 p 8]

CSO: 3100

CUBAN MILITARY JOURNAL ACCOUNT OF ARRON OVERTHROW

Havana VERDE OLIVO in Spanish 6 Apr 80 pp 18-21

[Dispatch from Prensa Latina, by Chandra Van Binnendijk]

[Text] At 0200 hours on that Monday, 25 February--30 days after the Surinam noncommissioned officers had reiterated their demands for better conditions and the right to unionize the Army--a group of 16 servicemen silently approached the main naval base on the winding Suriname River, 2 kilometers from the capital, Paramaribo.

Their goal was to take one of the modern gunboats belonging to the river patrol. Two days earlier, the same group had attempted it, but had been interrupted by the alarm raised by several police dogs that had detected their presence. This time, the NCO's, led by Sgt Maj Daysi Bouterse and Sgt Roy Horb, were prepared: They gave large chunks of meat to the animals, entered the base silently and boarded patrol boat S-402, armed with Beaufort guns.

According to witnesses, seven of the rebels began a slow trip along the river to the center of Paramaribo, which lies on a broad curve of the river, not far from its mouth.

Meanwhile, the group of nine that remained on land, armed with a few shotguns and handguns, moved in vehicles to an ammunition depot located 9 kilometers from the capital. A sergeant who resisted them fell in the clash, becoming the first fatality of the uprising. Another person was wounded slightly.

Arms and ammunition were taken by the men, who went to different places to pick up some 50 members of the Union of Military Cadres (Domika) hidden throughout the city. The next objective, to be taken under the cover of darkness, was the Memre Boekoe army base, from which they had been expelled 1 month before.

Memre Boekoe, situated in a residential area of Paramaribo, occupies considerable land, with housing for the soldiers as well as medical, health

and recreational facilities and training grounds. Moreover, it harbors at least five depositories of weapons.

However, the base--opposite which stands the headquarters of the Armed Forces High Command--is protected only by a high wire fence. The objective was to take the headquarters building and then cross the street and take the base.

According to witnesses, eight rebels took up positions in front of the main entrance, while four others cut the fence and entered at the rear. The building was surrounded, and the rebels called upon those inside to surrender.

The same account stated that a first lieutenant, commanding the guard unit, offered resistance and was immediately dropped. He was the second fatality of Operation Zero Hour. The other personnel, including a senior officer, surrendered to the rebels.

The insurgents crossed the street and entered Memre Boekoe through the roofs of the buildings. The name Memre Boekoe recalls a small fort belonging to fugitive slaves who in the 18th century heroically fought European colonizers.

After awaking the soldiers in the barracks, the NCO's--who had secretly maintained contact with their comrades for a month--called upon the men to join the struggle launched that morning.

However, the shots fired in the attack on the High Command headquarters were heard by neighbors, who notified the police, an agency that was being used as a counterforce to the demands made by the military union. What began as a silent operation had now been discovered.

Soon, while the soldiers were preparing to leave the base, a police vehicle carrying three officers approached the main gate of Memre Boekoe. The rebels opened fire immediately, killing one policeman and wounding the other two. However, the driver, who had received more than five wounds, managed to drag himself away.

Unbelievably, this man shortly reached the residence of Prime Minister Arron, some 30 meters from the base. There he was helped by the policeman guarding the premier, who took him to the hospital. First, however, they alerted Arron, who--taken by surprise at dawn--got up and drove his vehicle to police headquarters, where he would remain for several hours.

Arron's residence and other government buildings had been guarded by the police--not by the Army--for a month, since the noncommissioned officers began their protests and, after being expelled from the barracks, were disarmed by the military police.

Arron, also the minister of defense, was criticized by the NCO's, who said he acted in an "overbearing" manner and failed to make decisions that would solve the Army's problems and those of the country in general.

The three union leaders who had been arrested, Sgt Maj Badressein Sital and Sgts Laurens Neede and Ramon Abrahams, had been taken to the capital from a jail in the outskirts of Paramaribo. Police officials' purpose was to use them as hostages for negotiation with the rebels.

Paramaribo awoke that Monday unaware of the morning's events but wrapped in an atmosphere of expectation. Around 0700 hours, the boat stolen by the rebels approached the dock in front of police headquarters, attracting a large number of the people engaged in their normal activities in the capital.

A small tank appeared and moved through the streets enclosing the police building; and through a megaphone the soldiers demanded that those inside surrender. When they refused, the gunboat fired, causing a serious fire producing columns of smoke that covered much of the capital for several hours.

In the confusion, the police fled, and, according to neighbors, the prime minister escaped through a rear door. Meanwhile, the radio station "Radika" summoned military men to report to units throughout the country and place themselves at the disposal of those in command during the action.

It was then that the population learned that Arron's government, which had rejected any dialog with the rebels, had fallen.

The action by the military men, which also included occupation of Zanderij International Airport and other strategic points in the country, was planned in less than a month. At all times, the Bomika leaders sought to avoid violence, but, as they told PRENSA LATINA, they were forced by circumstances to act in this way.

An order to arrest all the leaders of the union and to expel all its members from the base came from the prime minister himself on 25 January. Sargeants Neede and Sital were arrested that morning. Abrahams was taken a few days later.

A group of noncommissioned officers tried to reenter Memre Boekoe, but the police prevented them, while others succeeded in getting in through other, unused, doors. The police were called to the base with orders to shoot if necessary.

The NCO's were unarmed and consequently retreated to the Red Cross building, located a few meters away, where a number of civilian sympathizers had gathered. Then they were driven from that building, and finally regrouped in a nearby sports stadium, where they spent the first of many long nights.

The rebels stayed at three different places during the period of struggle, a women's club, a union meeting hall and, finally, a social club where they remained until the night of Zero Hour.

The social club was called Fort Bonika in honor of the military union.

The leaders went into hiding when Sital, Neede and Abrahams were arrested, but they all remained in constant contact. One of them, Charles Myjnala, traveled through the city daily, wearing different disguises in order to be able to enter Memre Boekoe and to keep track of developments.

On 20 February, the imprisoned leaders were tried, while many civilians and insurgent military men expressed their solidarity across from the court building. Police with batons and shields maintained a cordon around the building.

When the people gathered in the courtroom saw the prisoners arrive, they stood up and raised their fists to show their support of the NCO's' cause.

In the opinion of Surinam observers, the trial did not represent opposition to the formation of a union in the Army, for the constitution, strangely, does not prohibit that. This is because the Surinam Constitution, promulgated at independence in 1975, is an exact copy of the Dutch one in this regard.

The prosecutor accused the three young men of having neglected their duties and implied that there was a conspiracy for a military uprising. He said that the maximum sentence for this crime was 12 years, but he asked for 10 months' imprisonment and expulsion from the Army.

The sentence was to be handed down on Tuesday, 26 February, but by then those in danger of being punished had already taken over.

The rebels' cause dated from a year earlier, when, in January 1979, the noncommissioned officers first sought a dialog with Arron, who did not respond to their requests. The soldiers demonstrated in front of the Parliament Building in one of the most striking episodes in the history of the regime.

As a result of that demonstration, an investigating committee was created to study problems within the Army. It made recommendations in a report issued 6 months later, but the Arron government never carried them out.

That day of protest by the military men was only one of the many crises--according to analysts--that challenged Arron's weak administration.

The high cost of living, unemployment, the lack of housing and increasing signs of corruption gave rise to discontent among the people, who--politically speaking--were preparing for the general elections scheduled for 27 March.

The elections, which now have been cancelled, were advanced 2 years because of a parliamentary impasse between the two major coalitions representing the government and the opposition.

The result of all the foregoing was the action by the military men, which the people immediately responded to as well founded.

With victory complete, Arron and his aides under arrest and the brand-new National Military Council [NMC] formed, the young noncommissioned officers called upon the people to take part in national reconstruction and the social, moral and economic guidance of the country.

/"We have declared war on social injustice/ [in boldface]," the sergeants stated at their first press conference. Later, on 15 March, they announced the formation of a 16-man civilian government headed by Jhenk R. Chien-a-Sen, serving as prime minister.

The NMC held the portfolios of defense and police, and it kept the president of republic, Johann Ferrier, in his post.

9085

CSO: 3010

URUGUAY

BRIEFS

COST OF LIVING--Montevideo, 24 Apr (LATIN)--According to official data released today by the General Directorate for Statistics and Surveys, the cost of living in Uruguay increased 10.34 percent in the first quarter of 1980. [PY252042 Buenos Aires LATIN in Spanish 2038 GMT 24 Apr 80 PY]

ESMACO APPOINTMENT--Gen (Walter Machado) today assumed the position of chief of the Joint Chiefs of Staff, replacing Gen (Julio Bonelli). [PY012219 Montevideo Radio El Espectador Network in Spanish 1600 GMT 1 May 80]

TRADE AGREEMENT WITH AUSTRIA--Uruguay and Austria have signed a \$50-million trade agreement in Vienna. Austria will provide Uruguay with railroad equipment and will purchase several Uruguayan agricultural products in return. [PY012219 Montevideo Radio El Espectador Network in Spanish 1600 GMT 1 May 80]

CSO: 3010

ARMY REPORTEDLY INTENSIFIES SEARCH FOR GUERRILLAS

PA251226 Paris AFP in Spanish 0304 GMT 25 Apr 80

[Text] Caracas, 24 Apr (AFP)—While Interior Minister Rafael Montes de Oca said here today that there is "a subversive crime wave" underway in the mideastern part of the country, the INNAC News Agency reported that in Anzoategui State army troops were looking for underground refugees of alleged guerrillas.

A cell of the Antonio Jose de Sucre guerrilla front from the Red Flag group, led by Gabriel Puerta Aponte, is reportedly active in this area. Yesterday the group apparently attacked two military vehicles between the towns of Santa Ana and Argua, Barcelona, killing one soldier.

The military search for guerrilla hideouts was concentrated on Chaparro, where former diplomat and cattleman Manuel Enrique Solorzano was injured at his farm yesterday.

Montes de Oca admitted that there still exist in the sector "very small groups which did not take advantage of the pacification policy" of President Luis Herrera Campins, who suspended military trials of the main guerrilla leaders.

He said that these groups act sporadically, which has given their activity "a spasmodic aspect," and this "has given the criminals some advantage and prevents a really effective action by the state security corps."

On the other hand, he said that he does not believe, at least for the time being, that these groups are the armed branch of any political organization that operates legally in Venezuela.

INNAC reported for its part that the army is intensively patrolling the area by land and by sea. The mountainous sector around Onot, El Chaparro and Zaraza is known to residents as "the guerrilla triangle."

Gabriel Puerta Aponte escaped alive 2 days ago when a mobile control post intercepted his vehicles and military troops fired at him after he refused to halt.

DEMOCRACY SEEN VULNERABLE TO 'DANGEROUS' POLITICAL FACTORS

Government Initiative Needed

Caracas EL UNIVERSAL in Spanish 9 Apr 80 Sec 1 p 4

[Article by Jose F. Iribarren: "The Dangerous Venezuelan Political Situation"]

[Text] The current situation in the country demands a serious analysis of the direction taken by the nation's affairs in recent times. One has the impression that there is a fairly free political administration reminding us of the solid democracies in the north or the mature political organizations in West Europe. Actually, we believe that the basis of any democracy as well as the political and social superstructure -- if one may use the term -- of any country is found in the solidity of its production and its managerial ability, determining the nation's good or poor economic position in the world. In other words, the democracy that subsists in an isolated way in certain Third World countries is not the same democracy that has been the fruit of a historical effort of centuries in Europe or North America. The formal emulation of a system naturally does not include the guarantees of stability that are inherent in the political institutions of Western democracy.

These observations force us to reflect on the political strategies that have emerged in Venezuela due to the governmental change from one party to another. We believe that from the standpoint of the founders of the new democracy in Venezuela, the alteration of the political scheme defended by the two parties with the greatest backing of voters to date is a kind of abortion of what might be called Venezuela's democratic experiment. Our nation does not have the necessary socioeconomic strength that would allow us to alter the relative partisan bipolarity without imminent danger of collapse, by means of artificial mechanisms or judicial and any other subterfuges contrary to a logical process of history. This means that one cannot confuse Venezuelan democracy with Italian democracy, to take one case, and what is more, it cannot even be compared with what, until a few years ago, was Chilean democracy.

But in truth, we are sure that the strategy of the governing party aimed at breaking up the relative bipolarity of our political world will not reach

the desired objectives, for various reasons. First of all, there is the very state of generalized corruption that is now voraciously eating away at many branches of the public administration. Second, as we have already pointed out, the fragility of Venezuelan democracy is becoming increasingly evident. Likewise, we believe that such a strategy is not only mistaken in its fundamental conception, inspired by a kind of repression of the opposition as a whole under the reign of prolonged single-party rule, but also, because of the surprising results that its authors could face in the coming elections. To date and for several reasons, the Venezuelan people have not castigated -- in the true sense of the word -- any party among those responsible for our political scene in the last 22 years. Nevertheless, we believe that any party which supports the current administration is not immune to the historic sanction which that very political grouping seeks for its adversaries in the coming elections if it does not authentically show in the immediate future the impartial legitimacy of its actions, both with regard to the real motives leading to the dispute and the honesty of its administrative conduct. We are breathing an atmosphere charged with a certain unconcealable partisan repudiation. It must therefore be noted that peoples do not make mistakes in their instinctive evaluations when they discover, even if they are unaware of the intricacies of political life, the real reasons for a given position.

The country has been distracted from the basic problems that have long afflicted it. In order to solve these problems, extraordinary measures of a substantive nature are required and consequently, the government's absolute attention in order to conceive and implement them. Actually, we heard nothing out of the ordinary in the president's address following the first year of government. No one can deny the action that has been taken to date, but that is the regular, normal function of any government. Our people want to see extraordinary solutions that go beyond the traditional framework of government activity submerged in absolute bureaucracy, solutions involving uncommon measures in order to confront the problems, identified long ago, that are undermining Venezuelan society. We see nothing on the country's economic and social horizon unless it be the storm clouds of a political disturbance. We are certain that because of the direction taken in recent times, the current government will leave the country with the same problems it found when it took office, problems increased and accompanied, without any doubt, by greater difficulties of various natures.

It is urgent, in these confusing times, that the government adopt a special policy that to a great extent will resolve the serious difficulties of the people. It must be pointed out, in this connection, that historical catastrophes have their roots in social injustice, opulence and poverty, in the privileges of some and the misfortunes of many. Nothing will be accomplished for society by castigating those responsible for acts against the public welfare if misery is entrenched through the land and bureaucratic corruption continues its march toward undefined limits like a mockery of the people who have been no more than the mute witnesses of a punishment reduced to a scandal.

Cartoon on Domestic Problems

Caracas EL UNIVERSAL in Spanish 9 Apr 80 Sec 2 p 1

[Text]



[Caption: "Have you seen this? Ten thousand persons in an embassy!"
"That's nothing! You ought to see the boarding house where I live!"]

11,464
CSO: 3010

CORPOINDUSTRIA RECEIVES LARGE 1980 INVESTMENT FUNDS

Caracas EL UNIVERSAL in Spanish 7 Apr 80 Sec 1 p 13

[Article by C. R. Chavez]

[Text] The president of CORPOINDUSTRIA, Angel Ramon Diaz, has announced that the amount of resources available for investment by that organization in 1980 will be 869,200,000 bolivars. In other remarks, Paez [sic] said:

"In the briefest manner possible, the board of directors of CORPOINDUSTRIA has tried to present an account of the principal activities and measures adopted during the first three months of 1980. The board believes that the sector of small and medium-size industry, handicrafts and the rest of those benefiting from programs of the Corporation, as well as public opinion in general, should be informed about the activities of this autonomous institution, which is under the Ministry of Development and which was set up for technical and financial assistance to the sector. The best way to disseminate such information is constant and timely contact with the information media, regarding which from the very beginning of our term of office, we have tried to practice an open-door policy. In fact, to the extent that the routine activities and time commitments of the Office of President permit, we wish to cooperate with the noble duties which are those of the communications media, especially in a democratic system in which the national community feels a need to be informed.

"Within the confines of a newspaper article, it is difficult," Paez said, "to summarize the results of the many activities performed by an organization of this type, both because of their volume and their variety. The first quarter of 1980 has just come to a close and we can therefore offer complete information about the activities of the board of directors up to the present."

Available Resources

The amount of money available for investments totals 869,200,000 bolivars this year, which sum comes from the regular budget and the additional credit approved by the National Congress, whose first remittance of money was received in February.

As one might logically suppose, these resources may be invested as the Corporation receives the funds provided under revenue, inasmuch as the budget operates by programs and the entire set of legal norms applicable to this type of entity.

In order that available resources might reach all the federal entities, the allocations were distributed by regions and states, paying heed to priorities established by the national organizations in charge of planning in the sector.

During this first quarter of 1980, we have made a great effort to improve the administrative efficiency of the Corporation, injecting greater vigor into the organization's own activities. So far this year, we have held a total of 14 board meetings, at which a total of 485 cases were analyzed. This means an increase of 92 cases over the number analyzed in the same amount of time last year.

The results of this action of the board of directors are as follows:

Credits Granted for Small and Medium-Size Industry

At the meetings of the board of directors during this first quarter, a total of 56 credits were approved, amounting to the sum of 93,445,312.35 bolivars, distributed as follows: for working capital, 10,480,167.98 bolivars; for construction, 27,359,912.41 bolivars; and for machinery and equipment, 55,605,231.05 bolivars.

It should be noted that in the data on working capital, credits granted through agreement with other banks, specifically the Regional Development Institutes, are not included.

Expansion of Credit

Out of all the cases considered by the board, a total of 13 expansions were granted, amounting to the sum of 12,621,627.10, to be used to finance the following: for working capital, 2,044,037.91 bolivars; for construction, 5,987,598.39; and for machinery and equipment, 4,589,990.80 bolivars.

These expansions have to do with extensions of credit in terms of the amount and they are justified by necessary increases in installed capacity, the modernization of machinery and equipment or an increase in the physical space of industries which demonstrate such needs.

Refinancing

Considering the fact that the objective of CORPOINDUSTRIA's action is full development of the sector, there is a policy of refinancing investments made which for fully justified reasons are behind in their obligations to the Corporation.

By virtue of this fact, a total of 13 refinancing arrangements were approved for an overall amount of 23,364,822.86 bolivars.

Endorsements

In order to overcome urgent problems encountered by craftsmen and small and medium-size industry with respect to their needs for working capital, in October, CORPOINDUSTRIA made an agreement with the Industrial Bank of Venezuela to provide such funds to businessmen. The agreement covered the sum of 100 million bolivars, to be distributed throughout the country. In like manner and for the same purpose, there was an expansion of agreements signed in previous years with the Commercial Development Bank of Venezuela (State of Lara), the Commercial Development Bank of Maracaibo (State of Zulia) and the Los Andes Regional Development Bank (states of Tachira, Merida, Trujillo and Barinas), expansions that amounted to the sum of 80 million bolivars. At the present time, the possibility of increasing these figures to much higher levels is being studied.

Industrial Conglomerates

The sum provided for this purpose, 143.4 million bolivars, is to go for services and investments in the conglomerates existing in the country and what is more important, funds for work to be done in 1980 in the industrial conglomerates for overall development in the cities of Barinas, El Tocuyo, Ciudad Bolivar and Carupano, have already been provided. The board has already adopted preliminary measures in order to bring these ambitious programs to fruition.

Subsidiary Enterprises

The board of directors considered at length the financial situation and support for CORPOINDUSTRIA's work from subsidiary enterprises and decided to make a substantial increase in their corporate capital, which means investing 1-2 million bolivars so that they may carry out their specific programs. The table in the appendices [not reproduced] presents details.

The subsidiary enterprises have remained in a favorable situation for contributing by their action to the consolidation and strengthening of the sector. Industrial Consumable Expenditures of Venezuela will now be able to better carry out its task of marketing machinery, equipment and raw materials on a national and international level.

The Venezuelan Handicrafts Enterprise (EVENAR) is able to handle important tasks such as credit support, the marketing of handicrafts products and the promotion of fairs and expositions.

For its part, with this increase in capital, CORPOINDUSTRIA Financial Leasing is now in full operation with innovative programs.

The Institute of Overall Assistance, IASI, continues preparations for extending its activity in the sector.

In sum, during the three first months of this year, financing and investments made amount to the total of 154 million bolivars, showing the vigor of this top-ranking leadership organization.

In addition, numerous measures have been taken in order to reorient the Corporation toward an improvement in its systems and procedures and for the training of human resources. National events were recently staged in Puerto La Cruz and Maracay and the latter was the scene of the recent First National Work Day of CORPOINDUSTRIA, which will have a favorable effect on internal administrative mechanisms.

This report shows that we have worked with enthusiasm and in a planned and sustained manner, preserving to the maximum extent possible the resources which the Venezuelan Government has placed in our care for the development of a sector which, as in the case of small and medium-size industry and handicrafts, is the key to the overall development of the country.

On various occasions, we have stated that CORPOINDUSTRIA is an ideal instrument for advancing part of the policy which the state as a promoter should use in order to improve the quality of life in human terms. We want to interpret the premises of the government program and the guidelines laid down by President Luis Herrera Campins in his constant concern for leading the country along the right path.

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BRIEFS

SOVIET YOUTH DELEGATION--Soviet youth leaders Alexandr Chernosvitov and Valeri Morosov make up a two-man delegation from the Youth Organizations Committee of the USSR now in Venezuela for the purpose of contacting young politicians and the FCU [Federation of University Centers] to provide information about the World Forum of Youth and Students for Peace, Disarmament and Detente to be held in Helsinki, the capital of Finland, in January 1981. The formal invitation will be extended by the WFDY [World Federation of Democratic Youth] and the Finnish Planning Committee. The event will be attended by over 1,000 delegates from all the progressive organizations of the world. Another important event, to be held in Mexico in September of this year, is the International Youth Conference on the New Economic Order, which will respond to the concerns of developing nations on the matter. In this connection, the Soviet youth delegation will hold meetings in Caracas following a short tour of the state of Portuguesa, where it participated in forums and discussions, in order to talk with all Venezuelan youth organizations about joint work and efforts. The visitors said that they are asking the organizations to send a large delegation to the Soviet Union in May. Finally, the youth leaders sent fraternal greetings to the youth of our country from the youth of the Soviet Union [rest of sentence illegible]. [Text] [Caracas TRIBUNA POPULAR in Spanish 28 Mar-3 Apr 80 p 3] 11,464

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END

SELECTIVE LIST OF JPRS SERIAL REPORTS

WORLDWIDE SERIAL REPORTS

WORLDWIDE REPORT: Environmental Quality
WORLDWIDE REPORT: Epidemiology
WORLDWIDE REPORT: Law of the Sea
WORLDWIDE REPORT: Nuclear Development and Proliferation
WORLDWIDE REPORT: Telecommunications Policy, Research and Development

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